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VOLUME LXV, NUMBER 19681 WEDNESDAY, JULY 23, 1997 TAMUZ 18, 5757 18 RABIA AWWAL 1410 NIS 5.50 (ESTIMATED)

Claridge buys into Koor

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Magic comes to Tel Aviv

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Amos Mar-Haim arrested for tax evasion

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Ten tourists hurt in attack in Jaffa

An Israeli Arab attacked 10 British and Canadian tourists, most of them teenagers, yesterday evening in Old Jaffa, stabbing two and lightly injuring eight others.
Police said the man, 32, a resident of Nazareth, drove into a group of British teenagers who arrived here yesterday on a Jewish Agency summer program and then got out of his car and stabbed a youth and his mother, from Toronto, who were sitting at a sidewalk restaurant.
The man was apprehended by a passing Border Control guard. Police believe the act was premeditated, but are investigating the attacker's motives.
Israel Radio said the man was known to police as a Hamas supporter and an activist in extremist organizations.
There were no skid marks on the street, suggesting the action was not an accident.
"The driver got out, holding a sword and a commando knife and went towards the civilians and tried to stab a number and succeeded," said Daniel Konson, the Border Control guard who arrested the attacker. Konson tied up the attacker and led him to a nearby police station, according to the police. The man told police after his arrest that he couldn't remember anything.
The injured were hospitalized, but most were released during the course of the evening.
(News agencies)



Foreign Minister David Levy and Palestinian Authority Chairman Yasser Arafat shake hands before their meeting at the EU building in Brussels yesterday. (Reuters)

Brussels meeting 'positive'

By HILLEL KUTTLER, BATSHEVA TSUR, and news agencies
Israeli and Palestinian leaders reportedly held one of their most productive meetings for months yesterday, with both sides suggesting a breakthrough in the Middle East peace process is possible.
Palestinian Authority Chairman Yasser Arafat and Foreign Minister David Levy said they had made great strides in sweetening the bitterness of five months of acrimony over the deadlocked talks.
"I am highly satisfied with our discussions," Levy said after meeting Arafat in Brussels at talks

brokered by the European Union. "Significant and positive steps have been taken," Arafat said.
Meanwhile, the Palestinians are leaning towards returning to the negotiating table with Israel, a source said after last night's meeting between President Ezer Weizman and Mahmoud Abbas. Weizman met with Arafat's deputy to discuss ways to advance the stalemated process.
The meeting, which received

blessings from Prime Minister Binyamin Netanyahu and Arafat, also was attended by Egyptian Ambassador Mohammed Bassiouny and Weizman's bureau chief Arye Shamer.
Weizman stressed Israel's insistence on an end to terrorism, without which there could be no basis for an agreement. Abbas brought a message to Weizman from Arafat. No special date was set for resumption of the talks.
In Washington, Cabinet Secretary Dan Naveh and US special Middle East coordinator Dennis Ross met to discuss Palestinian-Israeli talks.
See BRUSSELS, Page 2

Mordechai leads budget protest

By DAVID HARRIS
The cabinet was still locked in debate at press time last night over Finance Minister Ya'acov Ne'eman's proposal to cut NIS 800 million from the 1997 state budget.
Prior to the meeting, several ministers were either intending to

cern on Monday that Interior Minister Eli Suissa could vote with his fellow Shas members Yishai.
Education Minister Zevulun Hammer refused to deny he would resign if the cut is approved. He accused the government of removing much of the money it just allocated for the long school day. Hammer warned that the cuts to the education budget will face fierce opposition from the public and in the Knesset, and the government would pay a heavy price for them. His NRP colleague Transport Minister Yitzhak Levy is likely to follow Hammer's lead in the vote. Shortly before the cabinet session began, members of the National Religious Party said they would leave the government if the budget cuts were approved.
Justice Minister Tzahi Hanegbi failed to attend last night's meeting but was expected to vote on the budget. Industry and Trade Minister Natan Sharansky, who is said to be ill, was also absent from the meeting.
With health workers striking yesterday ahead of the cabinet debate, Health Minister Yehoshua Matza had also expressed his anger at any attempt to reduce spending on health care. Internal Security Minister Avigdor

Kahalani was among those reportedly considering voting against the belt-tightening plan.
Opening the meeting, Netanyahu attributed the main reason for the cuts to the fact that economic growth will only reach a maximum of 2.5%, and not the predicted 4%. Asked why there was a need for the cuts, he accused the Labor government of "taking money that it did not have and pushing the bill on to us, and now they are making claims against us."
Ne'eman presented the ministers with proposals for two cuts: one of NIS 600m., aimed at reducing the overall budget deficit towards the government-set target of 2.8 percent of the gross domestic product, or some NIS 9.7b., and the second of NIS 200m., comprising an agreed transfer of NIS 180m. US aid to Jordan and the purchasing of NIS 20m. of new gas masks.
The NIS 600m. will be levied at 0.9% in each ministry other than Defense and Education, where the cut will be 0.6%. The remaining NIS 200m. will be raised via a 0.26% cut across the board.
This is the third cut in this year's budget, the previous two totaling a far more substantial NIS 7.2b.
See MORDECHAI, Page 12

Welcome to the Treasury, Mr. Ne'eman, Page 3

vote against the cut, which has the backing of Prime Minister Binyamin Netanyahu, or were undecided.
Defense Minister Yitzhak Mordechai arrived one hour late for the meeting to register his protest against the cuts, and immediately went into a private meeting with Netanyahu. Mordechai, who is demanding an additional NIS 1.5 billion next year, is said to be very unhappy with the NIS 205m. cut he is facing.
Labor - and Social Affairs Minister Eli Yishai told Netanyahu there is simply nowhere for him to cut his budget. Treasury officials expressed con-

Beirut building boom only a face lift

By NICHOLAS GOLDBERG
BEIRUT - In the heart of this war-ravaged city, where rival militias clashed for 15 years, a new Donna Karan outlet is doing brisk business and a nearby Armani boutique is crowded with well-heeled, well-dressed shoppers.
At a string of trendy new bars and fancy new French restaurants patrons sit at tables on the sidewalks. The reconstruction of this Mediterranean city, which in the 1970s and 1980s became the world's most infamous symbol of senseless communal violence and destruction, seems somehow irreversible.
In recent months, a handful of five-star hotels have opened around town, along with a Hard Rock Cafe and a giant new sports center. Last December, after a \$50 million refurbishment, the Casino du Liban, the grand old playground of Arab kings, oil sheiks, and European socialites, which closed down during the civil war, reopened.
In downtown Beirut, almost 700 war-damaged buildings have been razed to make way for a massive complex of skyscrapers and luxury homes.
See BEIRUT, Page 5

Bezeq strikers return to work this morning

By JUDY SIEGEL
After leaving tens of thousands of phone subscribers dangling at the ends of malfunctioning lines over the past week, Bezeq's 8,000 staffers decided last night to obey restraining orders by the Tel Aviv Regional Labor Court and return to work this morning.
Yesterday's disruptions in ser-

vice, caused by technicians' refusal to maintain central control equipment, temporarily cut phone service at Ben-Gurion Airport, cut short trading at the Tel Aviv Stock Exchange, produced only busy signals in significant parts of Tel Aviv and Jerusalem, and even interfered with some cellular and international phone calls.
Communications Minister

Limor Livnat said the workers' announcement that they would return to work only today, instead of immediately after the court ruling, shows they are working "without motivation and according to the book and in contempt of the labor court, this proves that they in fact intend to continue their sanctions."
The minister said she would take all legal action at her disposal to ensure that Bezeq workers return to their jobs and allow services to function normally. She added that she will "examine providing alternatives to Bezeq services and to Bezeq's infrastructure via commercial companies, which will halt the dependence on Bezeq's monopoly and its union. Only competition will bring about improved service and lower prices for the benefit of the citizenry."
At the same time, Livnat said she intends to protect the company in the hope that its image can be repaired.
A union spokesman said staffers

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Hospital strike continues, doctors in action, Page 4

vice, caused by technicians' refusal to maintain central control equipment, temporarily cut phone service at Ben-Gurion Airport, cut short trading at the Tel Aviv Stock Exchange, produced only busy signals in significant parts of Tel Aviv and Jerusalem, and even interfered with some cellular and international phone calls.
Communications Minister

Bridge report due today

By BATSHEVA TSUR
The commission investigating the collapse of the bridge at the Maccabiah is expected to present its report today - but without the participation of representatives of the organizing committee and Police.
This emerged yesterday from the state attorney's response to a petition to the High Court of Justice lodged by the contractors who built the ill-fated bridge.
See BRIDGE, Page 12

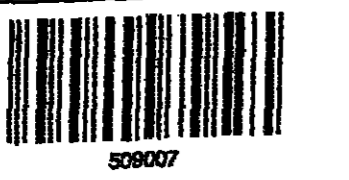
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WEATHER
Tel Aviv 24-30
Jerusalem 19-21
Beersheva 22-24

AROUND THE WORLD
Winning can

Basic Law Social Right bill defend
By LAT COUL

What does against Israeli



NEWS

in brief

IDF arrests Fatah activists

The IDF last night arrested four senior Fatah activists in Judea and Samaria, among them the organization's general secretary Marwan Barghout. The activists had participated in a gathering organized by Fatah in Nablus calling for the release of Palestinian policemen arrested by Israel. The four were arrested near Shilo. They are known to have ongoing contacts with the Israeli Left, and their arrest angered Palestinians. The four are believed to be at the IDF headquarters in Judea and Samaria in Beit El. The IDF has yet to comment on the reason for their arrest. *Itim*

IDF lifts ban

The IDF yesterday lifted the week-long ban on Israelis from most Palestinian-controlled cities which was imposed for security reasons. Israelis are still barred from Jenin and Nablus, the army said. The closed military zone was declared last Wednesday following intelligence assessments that Palestinian extremists planned to kidnap or attack soldiers or strike at Jewish settlers. *Arieh O'Sullivan*

IDF closes Joseph's Tomb

The IDF closed Joseph's Tomb in Nablus yesterday afternoon and sent Jewish worshippers at the Od Yosef Chai yeshiva, in the tomb complex, home. The army said the closure was due to security reasons. The site was reopened last night. *Arieh O'Sullivan*

Fatah members protest Arafat, Israel

In an unusual protest against Yasser Arafat, hundreds of members of his own Fatah group rallied yesterday outside a prison where a high-ranking officer suspected of ordering attacks against Israelis is being held. "Free Jihad Massimi now!" shouted the 2,000-some protesters, who tried to break through the prison gates but were pushed back by about 100 Palestinian police guarding the compound. Massimi's arrest has particularly angered Fatah supporters. "The arrest of Fatah strugglers is a red line," said Taysir Nasralla, a Fatah leader from the camp. *AP*

Rajoub reportedly called for Jews' expulsion

Hebron settlers were not surprised by remarks made by Palestinian Preventive Security Head Jabril Rajoub demanding the expulsion of the Jews in Hebron as a way of restoring calm to the area. According to Arutz 7, Rajoub told the Voice of Palestine radio while touring Hebron on Monday that the Jews in Hebron as well as in Judea and Samaria should be expelled in order to restore calm to the region. In the radio interview he said "Jews living in Palestinian areas should be expelled," adding their presence was like a ticking bomb. Hebron Jewish Community spokesman David Wilder said last night that Rajoub's statements were a declaration of war and added "no one will force us out of Hebron, we are here to stay." *Margot Dudkevitch*

12 injured in Naharayim gunman demo in Jordan

Jordanian police clashed yesterday with protesters calling for the release of a Jordanian soldier sentenced to life in prison for killing seven Beit Shemesh schoolgirls, his relatives said. At least 12 people were injured and 30 were arrested, they said. But a government official called the protest only "a minor gathering." The protest reportedly broke out early yesterday and lasted more than six hours. The 57-year-old mother of the soldier, Cpl. Ahmed Daqamseh, was among those arrested, said Daqamseh's cousin, Khalid. Riot police, supported by helicopters, fired tear gas to disperse the 300 demonstrators who gathered at the entrance of the village of Ibdir, 150 kilometers north of Amman, he said. *AP*

Tour guide allowed to return to Israel

Tour guide Mordechai Mendelson, arrested last week in Jordan after he struck an eight-year-old girl in a traffic accident, returned to his home in Efrat last night. Mendelson, 23, was arrested last Monday after his jeep hit the girl, moderately injuring her. Mendelson's release was obtained after his family met with the father of the girl in a Jordanian court and agreed on a sum to be paid as damages. An attempt is likely to be made to have the girl brought to Israel for the rest of her medical treatment. *Itim*

Winning cards and numbers

In last night's lottery, the winning numbers were 3, 10, 15, 18, 31, and 48. The additional number was 27. The winning cards in yesterday's first Chance draw were the 10 of spades, 10 of hearts, queen of diamonds, and queen of clubs. The results of the second draw were the jack of spades, eight of hearts, ace of diamonds, and jack of clubs.

Policeman stabbed

By MARGOT DUDKEVITCH and ARIEH O'SULLIVAN

A 20-year-old border policeman was stabbed in the shoulder by 31-year-old Jimalla Salam from the El Boureij refugee camp yesterday morning at the Natsarim Junction. Shai Mahbati was lightly injured when Salam came up from behind him and plunged the knife into his shoulder, through an opening in the bulletproof vest he was wearing. Security sources claimed that Mahbati had not been wearing the vest the wound could have been more serious. The IDF Spokesman confirmed the incident, adding that Mahbati was part of a joint Israeli-Palestinian patrol in the area. The spokesman said that the IDF was still investigating reports claiming Israeli authorities had requested Salam be turned over to them. Natsarim secretary Gershon Yona told Israel Radio that Mahbati was treated at the site before being taken

to a base close to the junction where he was later transferred to Barzilai Hospital in Ashkelon and released later in the day. Mahbati was standing next to a jeep with two other border policemen inside it when Salam attacked him. He struggled with the woman in an attempt to take away the knife and arrest her, but to no avail. His comrades were also unsuccessful in capturing Salam who fled towards the Palestinian Police screaming she had stabbed him, and asked for their help. The Palestinian Police immediately overpowered her, took away the knife, and drove her away in a jeep to the autonomous areas. According to reports when one of Mahbati's comrades demanded the Palestinians turn over Salam, a dispute broke out and one of the Palestinian Police aimed his weapons at the border policemen. Israel has reportedly asked the Palestinians to hand over the woman, but the Palestinians said

the matter is being looked into by both sides. "We have set up a joint investigation committee through the joint liaison committee," head of the Palestinian DCO for the northern Gaza area Salam Darduna said. Palestinian Police officer Brig-Gen. Saeb Ajez told reporters that Salam had recently been released from a psychiatric hospital in Gaza. Darduna confirmed Ajez's statement, adding that she was known to the Palestinian welfare offices in Gaza and was not responsible for her actions. Salam told Palestinian Police interrogating her that she had attacked Mahbati in protest of the leaflet depicting the Prophet Mohammed as a pig that was pasted on storefronts in Hebron last month. The same sources claimed that Salam and her family are affiliated with the Hamas and lately she had told family members she was planning a revenge attack because of the leaflets pasted in Hebron.

Ben-Porat: GSS ignored Landau Commission interrogation guidelines

By BAT SHEVA TSUR

The GSS ignored the guidelines of the Landau Commission when interrogating suspects in a facility in Gaza between 1988-1992, according to a report by the State Comptroller Miriam Ben-Porat. In addition, "the reliability of some GSS reports did not meet the requirements of honesty and veracity expected of a vital national security organization," the report said. It was handed to the Knesset subcommittee on secret services, consisting of Meretz MK Ran Cohen, the outgoing chairman of the State Control Committee and Likud MK Uzi Landau in 1995, but they only yesterday issued a

statement about its existence. The two held a series of meetings, at the time with late prime minister Yitzhak Rabin, senior security officials and the state attorney, in the presence of the state comptroller and reached a number of conclusions, the statement said. "A considerable number of them have since been applied," the two said yesterday, adding they decided for reasons of state security not to publicize the findings. The current GSS head also met with the two and with the state comptroller during the past year and reported that the conclusions were being implemented, they said. This included monitoring agents' activities and ensuring honest reporting.

PA justice minister resigns

By JAY BUSHINSKY

The Palestinian Authority's justice minister, Freih Abu Meidein, has submitted his resignation, but it will not be considered by PA Chairman Yasser Arafat until his return from Brussels later this week and may not be accepted. In any case, it fits into a pattern that shows Palestinian "insiders" — those who lived in the West Bank or Gaza Strip while those areas were under Israel's military control — stepping down, while "outsiders" — Palestine Liberation Organization leaders who arrived with Arafat from Tunis — remain in their PA posts. The immediate cause of Abu Meidein's decision to quit was Arafat's appointment of 10 new judges without submitting their candidacies for his approval and without their having the requisite qualifications, sources said. However, Abu Meidein also is believed to have been shattered by the corruption and misappropriation of PA funds, which were revealed by Khalid al-Qidrah, an "insider" who subsequently stepped down. Other "insiders" who gave up their PA posts this year include ex-deputy finance minister Samir H'leilich and PECDAR deputy director Samir Abdullah. Local Government Minister Saeb Erekat, another "insider," was demoted by Arafat from chief of the Palestinian negotiating team and replaced by Nabil Shaath, an "outsider." Independent Palestinian observers contend that two additional prominent "insiders" also have been losing ground within the PA hierarchy: Higher Education Minister Hanan Ashrawi, whom they describe as having been "neutralized" regarding the policymaking process, and Faisal Hussein, whom they say has been "having problems" with Arafat. The difficulties being experienced by the Palestinian leadership, particularly the rank-and-file residents of the autonomous areas, have attracted the attention of one of Israel's veteran diplomats, Gideon Rafael, a former Foreign Minister director-general. He believes the Palestinians "are going through a period of fear, frustration and fury," which is a very explosive mix in his opinion. "They see other nations gaining sovereignty and independence," Rafael said, "while they, despite their high status as an ethnic entity, have not reached that stage. Rafael predicted that the Palestinians "will get there, with great pain for both sides and danger to the whole region."



Discussions underway

Prime Minister Binyamin Netanyahu and Minister of Infrastructure Ariel Sharon assess pending security issues in the framework of a final status accord while visiting the Samaritan settlement of Pedual, northwest of Ariel, yesterday. During their tour, Netanyahu and Sharon reportedly discussed the strategic importance of retaining control of the main highways in the region as well as a range of security issues that included the Jordan Valley. *(Text: Margot Dudkevitch; Photo: Reuters)*

Begin, Ayalon clash over GSS assessment of Arafat

By LIAT COLLINS

The territories are burning, General Security Service head Ami Ayalon said yesterday when he presented his biannual report to the Knesset Foreign Affairs and Defense Committee. According to an official briefing, Ayalon said Hamas and Islamic Jihad have the capability and willingness to carry out attacks in Israel, including mass terror attacks, but Palestinian Authority Chairman Yasser Arafat is not interested in terrorist actions which could harm his status and cut relations with Israel completely. Arafat, however, is interested in maintaining constant controlled conflict. There was an unpleasant exchange between

the GSS head and MK Ze'ev Begin (Likud) after Ayalon said Israel must decide whether it is interested in a strong or weak Arafat. Begin apparently accused Ayalon of making a political judgment, while Ayalon said he only was presenting different scenarios. Ayalon said that the less progress is made in the diplomatic process, the more Arafat's status drops and the greater the standing of the rejectionists becomes. Ayalon also said Arafat is beginning to present himself not only as the leader of the Palestinian people but also as the representative of Islam and Jerusalem. This could make the talks on Jerusalem more difficult, Ayalon said. Ayalon frequently used images of "fire"

and "burning" to describe the situation in the territories today. "Sometimes the fire is on the back burners and sometimes on a higher light, but there are no quiet days," he said. Ayalon said there had been some 300 incidents in the territories in the past six months, particularly in Hebron, Bethlehem, and Nablus. He said Hamas and Islamic Jihad have a broad terror infrastructure and Hamas — especially in the area of the Tsurif village near Hebron — has extended its tentacles in Jordan's direction. He said the opposition to Arafat had grown stronger, reducing Arafat's room to maneuver. "He is not the all-powerful leader he is depicted to be," said Ayalon.

BRUSSELS

Continued from Page 1

meetings, especially as the peace process is facing serious problems," Arafat said. Levy earlier gave a spirited defense of Israel's commitment to Middle East peace, telling European members of parliament that Israelis were not "being stubborn ... [but] defending their lives." Levy was given a hostile reception, but he defended Israeli policy, shouting at one heckler: "You have to be in Israel or with Israel to understand completely." Meanwhile, government sources reacted coldly and skeptically to the media hyperbole that emanated from Brussels yesterday after Levy's talks with Arafat. Doubt also was expressed by Palestinian analysts as to the practical value of the near-summit in the Belgian capital. "Levy was supposed to read the riot act to Arafat," a senior Israeli official said, contending that the alleged penetration of the Palestinian Police force by terrorist elements had been expected to top his agenda. The official also assumed that Levy would demand the immediate dismissal of Brig-Gen. Ghazi Jabali as Palestinian Police chief on the basis of evi-

dence that he dispatched four of his policemen on a terrorist mission. There was no mention of this in the immediate aftermath of the Levy-Arafat rendezvous. Palestinian sources indicated that Arafat decided to go to Brussels only after he had come under "tremendous pressure" from the European Union, Americans, and Egyptians as well as the Israelis. "He could not afford to snub the EU," the sources said, recalling its substantial financial aid to the PA. The thrust of the pro-PA Arabic media's coverage of Arafat's trip was that his primary objective was to address the EU foreign ministers' conference, not to meet Levy. Levy will pay an official visit to Jordan next Tuesday, when he is expected to engage in political talks with his host, King Hussein, as well as with Crown Prince Hassan and senior government officials.

Meanwhile, following his 90-minute meeting with Ross in Washington, Naveh told reporters outside the State Department that for talks to resume, Israel must see a serious crackdown against Palestinian security officials involved in planning attacks against Israelis. "We feel that without an uncompromising effort by the PA in these areas, we won't be able to put the diplomatic process back on track," Naveh said. He refused to provide any details on the ideas being discussed now with the US administration, but said "it is essential" that the PA fulfill its security obligations in order to enable the "fast-track" negotiations on final-status issues as proposed by Netanyahu. "We have crystal-clear evidence

that high officials in the Palestinian police were involved in terrorism against Israelis. And we expect the PA to take action and do whatever they should do in order to exercise their responsibility and authority and to [put] an end to these cases of Palestinian Police that were involved in terrorist incidents against our civilians," Naveh said. Asked whether Israel is prepared to make any concessions on building at Har Homa or within settlements in order to get the talks started, Naveh said: "I can only tell you that ... everything I presented here is very clearly consistent with the government's policy in all areas pertaining to Israel's rights in Israel and in Judea and Samaria." *Jay Bushinsky contributed to this report.*

Report: Lahad considers withdrawal from Jezzine

By DAVID RUDGE

South Lebanese Army commander Gen. Antoine Lahad has expressed his willingness to negotiate with the Lebanese government over a withdrawal of the SLA from the Jezzine enclave north of the security zone, Lebanese newspapers reported yesterday. According to the reports, which were also carried on Lebanese television and radio stations, Lahad made the offer following a tour of the security zone. The reports said that he was accompanied on the visit by OC Northern Command Maj. Gen. Amiram Levine. Lebanese newspapers said the presence of Levine indicated that Israel was both aware of and supported Lahad's offer and that it could be an attempt to initiate a "Jezzine First" proposal as a lead-up

to talks with Lebanon over an IDF withdrawal from the security zone. There have been reports lately of concern in Israel that support in the Christian town for Israel is dwindling and residents do not feel that the IDF can protect them adequately. Hizbullah has lately concentrated many of its attacks against the Jezzine enclave which is controlled by troops loyal to Lahad. A number of SLA soldiers and officers, as well as some residents, have been killed or wounded in the attacks. Lahad was quoted in Lebanese newspapers as saying that he was "ready to negotiate with the Lebanese authorities or any of its representatives to withdraw from Jezzine and hand over the district."



extends its condolences to Prof. Shmuel Shattiel on the passing of his wife

SARAH

SOCIAL & PERSONAL

THE WEEKLY MEETING of the English-speaking Jerusalem Rotary Club will take place today at 1:00 p.m. at the YMCA, King David Street. Maj. Gen. (Ret.) Nahum Shah, Director-General, Second Television and Radio Authority, will address the club.

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NRP fights education cuts

By LIAT COLLINS

The National Religious Party is standing behind its leader Education Minister Zevulun Hammer in his demand that the education budget not be cut. NRP officials were expected to meet with the prime minister last night to clarify this point.

"The NRP joined the government to bring about a revolution in education, and in particular Jewish education. It's obvious that cuts won't allow for such a revolution," said MK Shaul Yahalom. "If the government takes the direction of cuts in education, we are saying quite clearly we will not be with you [the government]."

The Knesset Education Committee, chaired by Emanuel Zissman (Third Way) also discussed the proposed cuts yesterday and made a unanimous declaration that it opposes them. "Any more cuts will be a mortal blow to education and will not allow the school year to start on September 1," Zissman said.

The members sent an urgent letter to the prime minister warning

that they could not promise support for the government in no-confidence motions next week if the education budget was chopped.

Education Ministry Director-General Benzion Dell echoed Zissman's remarks, saying that the cuts would raise serious questions as to whether classes could open as scheduled. Dell said the education system could not absorb cuts beyond the NIS 725 million cut during the past year. The first victim of any such cuts would be the long school day aimed at helping some 150,000 pupils in need of help with their studies, he said.

The Knesset Foreign Affairs and Defense Committee went a step further. Not only are they objecting to proposed cuts, but they want the defense budget increased by NIS 3 billion annually.

Committee chairman Uzi Landau (Likud) said: "Not only has the intention to add to the defense budget this year not been realized, but there is a threat of additional cuts."

Committee members across the political spectrum are united in their demand that the defense bud-

get not be cut. The committee is scheduled to hold an emergency meeting this morning on the "strategic implications" of the cuts.

Both Merez and Hadash have filed new no-confidence motions over the government's economic policies. They are expected to be heard on Monday.

David Harris adds: The proposed cuts to education and other social budgets were also roundly condemned yesterday by teachers' representatives and welfare lobby groups, with the civil service union expressing its opposition to the planned cut in overtime hours worked in government offices.

Facing an overall NIS 162,193,000 cut to the education budget, the teachers' union roundly condemned the Treasury's proposals.

"The planned cut in the education budget will hit the weaker classes and will crush the attempt to bridge the social gaps," said union secretary-general Avraham Ben-Shabbat. Threatening sanctions, Ben-Shabbat accused the government of placing education at the bottom of its list of priorities.

The budget cut proposals

Ministry by ministry in millions of shekels

The President	0.192	Health	
Prime Minister	2.813	Environment	13.867
Knesset	2.003	Housing	1.747
Treasury	14.521	Absorption	21.295
Internal Security	43.052	Infrastructure*	18.441
Justice	12.464	Agriculture	22.014
Foreign	10.139	Industry & Trade	16.628
Defense	205.652	Tourism	38.130
Interior	48.579	Communications	8.546
Science	2.196	Transport	0.577
Education	162.193	Labor/Social Affairs**	7.633
Religious Affairs	15.626	Supervisory bodies	34.274

* National Infrastructure Minister Ariel Sharon will also request an NIS 1,910,014.2 reduction in the budget base of administration in the Israel Lands Administration.

** Labor and Social Affairs Minister Eli Yishai will request an NIS 3m. reduction in the budget base of administration in the National Insurance Institute.

All ministerial offices in Tel Aviv will be closed, other than those which serve as a minister's main base. This will save a further NIS 10m.

Overtime hours in government offices will be reduced by 4% (10% in annual terms).

There will be no cuts where the government has already committed itself to future payments, such as wage agreements and in new legislation.

COMMENT

Welcome, Mr. Ne'eman

By HERB KEINON

Talk about hitting the ground running.

No sooner had Ya'acov Ne'eman settled into his office at the Treasury than he was thrust into the thick of a budgetary maelstrom that has the education minister threatening to resign, the health minister warning that cuts in his ministry will cost lives, and the defense minister cautioning that any defense cuts will imperil the security of the nation.

Welcome to the Treasury, Mr. Ne'eman. Had Ne'eman returned to the Justice Ministry, where he was forced to quit last year, it is reasonable to assume he would have enjoyed some sort of grace period.

Not so in the Finance Ministry. Ne'eman walked directly into the line of fire because of the law that stipulates that the country's budget deficit cannot exceed 2.8 percent of GDP. True, the government cut NIS 7.2 billion early in the year, but the economic slowdown necessitated further cuts to keep the deficit under its legal limits. Thus the need now for the cuts - cuts that can't wait until Ne'eman finds his footing.

Another reason Ne'eman hit the ground running is because budget cutting is by nature a confrontation-

business. That explains why within two weeks of taking office he is at loggerheads with his colleagues.

One thing he has going for him is that some of his colleagues - the same ones now screaming not to cut - were the ones who wanted him in the cabinet in the first place. Yitzhak Mordechai, Zevulun Hammer, Eli Yishai and Eli Shussan all lobbied on his behalf. It is in their political and party interests that he succeed, an added incentive for them to cooperate.

Ne'eman also enjoys the prime minister's full backing, something Dan Meridor never enjoyed. In fact, that's all Ne'eman has, since he wields no independent political clout. His fortunes are tied up with Netanyahu's.

That's why Monday's no-confidence vote was more significant than Netanyahu will publicly acknowledge. True, it did not bring down the government, but it did paint it in very weak hues. A Netanyahu whose government appears unshakable is more difficult for a minister to say no to than a Netanyahu who seems to always be battling for his political life. The stronger Netanyahu is perceived to be, the stronger Ne'eman's clout. But if the prime minister is seen as politically weak, Ne'eman will get much less respect - and cooperation.

HEBREW PRESS REVIEW

MICHAEL YUDELMAN

Tzahi's new scandal

Justice Minister Tzahi Hanegbi, who is at the center of a new scandal for having been given NIS 113,229 and a car from an association intended to fight traffic accidents, featured prominently in yesterday's press. Ma'ariv columnist Tommi Lapid wrote that Hanegbi's shameless manipulation has no parallel or precedent in the history of Israeli politics. Close to one third of the funds collected from private contributors was paid to Hanegbi as wages for serving as association director for eight and a half months, and a new car was bought for him from the rest of the funds "so he could check the road situation personally."

Since all this took place during the primaries, when a candidate such as Hanegbi needs both money and a car, Lapid wrote he wonders whether the association was formed to help Hanegbi in his campaign, as a convenient way of skirting the legal primaries' funding restrictions. If, on the other hand, "the association was founded solely for what it was intended, then the use Hanegbi made of its funds is an unparalleled scandal," he stated.

Hanegbi formed an association, most of whose members were Likud activists, used the funds of anonymous contributors, whose names he refuses to reveal, received over NIS 10,000 in monthly wages, a car and a high car allowance, and all for work he, as a Knesset member, was supposed to do in parliament anyway. Ha'aretz wrote in its editorial.

Make-believe political process

Commentators view the recent flurry of activity concerning the stalled peace process with cautious disbelief. Ma'ariv's Lapid mused whether cabinet secretary Dan Naveh's mission to Washington is yet another attempt by Prime Minister Binyamin Netanyahu to bypass Foreign Minister David Levy and Ambassador to Washington Elyahu Ben-Elissar.

"What new ideas will Naveh present to Dennis Ross, which Netanyahu hasn't presented to US ambassador in Israel, Martin Indyk? Is this an attempt to promote the negotiations or delaying tactic?" Lapid asked.

Hemi Shalev, also of Ma'ariv, wrote the reports of initiatives, meetings and plans being published recently are met with "a consensus of skepticism," for objectively, there is no change in the stalemate and the crisis of confidence between Netanyahu and the Arab world is as deep as ever.

"No wonder all the new political moves seem to many as make believe, no more than noise and bells," Shalev wrote.

The way to hell is not always paved with good intentions.

Nahum Barnea wrote in Yediot Aharonot.

"Sometimes it is paved with bad intentions. Like [National Infrastructure Minister] Ariel Sharon's initiative to castrate the direct election law and enable MKs demote a prime minister without paying for it with their seats. Sharon is trying to cure the plague with cholera."

The real purpose behind the initiative is not to mend the law's distortions but to get rid of Netanyahu, in Barak's case, and restrict his movements, in Sharon's case, Barnea wrote. But the chances of replacing Netanyahu are slim and it is more likely the prime minister will continue on his way, extorted by every faction and devoid of real power to conduct negotiations or bring about agreements.

"There is only one thing he can do without difficulty: start a war," he wrote.

Barnea warned that like in the campaign for the direct election law, here too the results will be the reverse of what was intended: "The haredim's influence will double. On election eve the candidate will run from one rabbi to another, ask for a blessing and promise a reward. After the elections he will run from one rabbi to another and ask him to instruct his representatives not to demote him at the next no-confidence vote."

Barnea suggested dealing with the Netanyahu issue honestly. If there are 61 MKs who believe he is bad for the state, he said, they should be prepared to sacrifice their positions and vote against him.

Media terrorism

Ha'aretz's Ehud Asheri welcomed the birth of a new newspaper - a right-wing weekly entitled Makor Rishon. The initiative comes to answer the need of a religious right-wing public, which feels the present media does not speak its language or reflect its values.

However, Asheri said, already the first edition clearly indicates the tendency to emphasize religious and nationalistic issues, and falls into the trap of subjectivity.

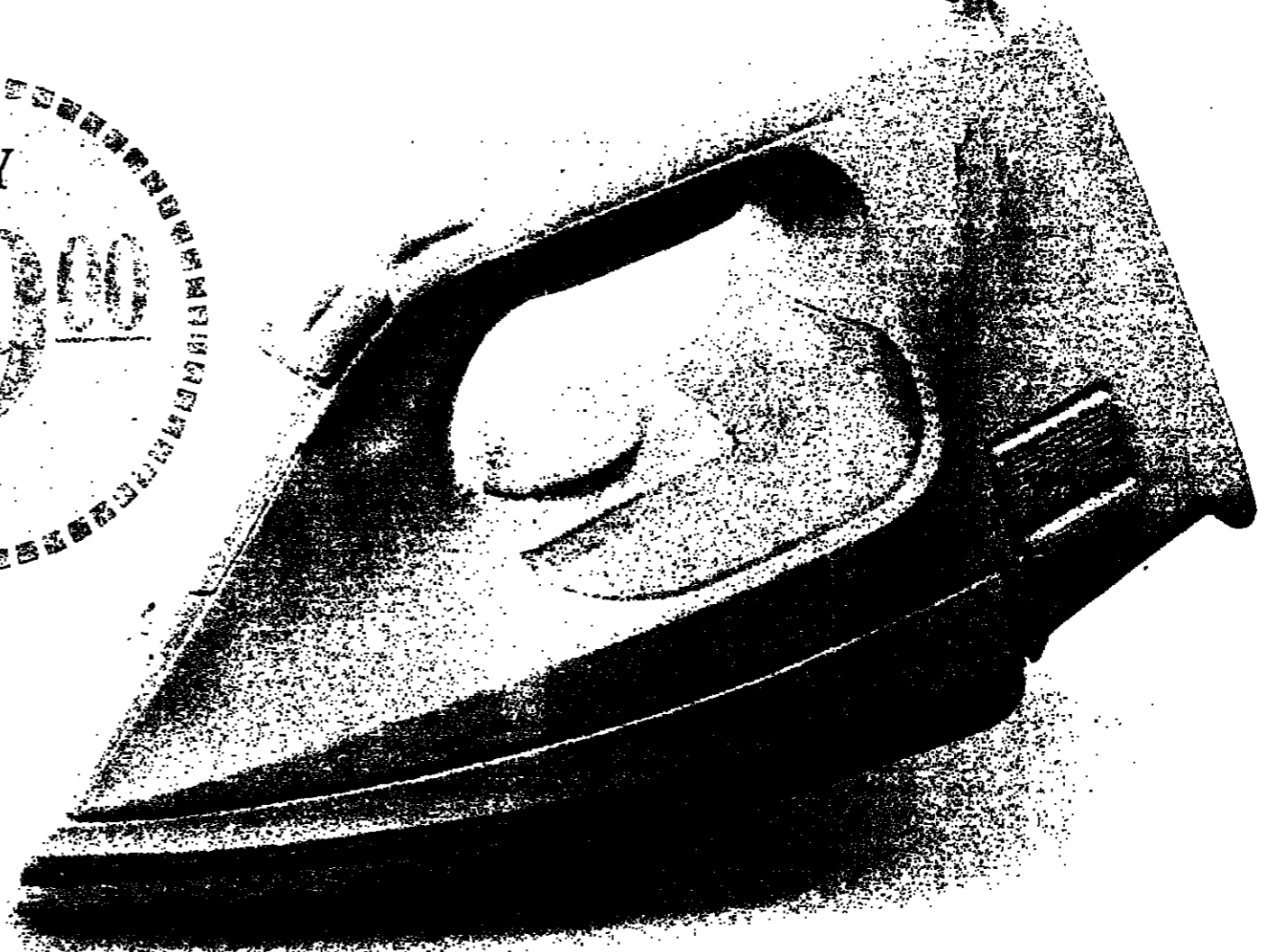
Beyond this, Asheri said, is the exaggerated, unrestrained assaults on the Israeli media, a sales tactic which becomes the dominant message of the new paper. Editor Meir Uziel attacks "the left-wing press on several occasions, while Moshe Shamir vilifies it, calling the media 'garbage' and 'filth.'" The justice minister states in an interview that "many people feel there is no democracy today but a terrorism of the media."

But the really bad news, Asheri said, is the negligence and amateurism crying out from every page, banal unimaginative headlines, poor proofreading and editing, vulgar design etc. The right wing certainly deserves a better newspaper, Asheri concluded.

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997 The Jerusalem Post

GSS ignored commission guidelines

PA justice minister resigns

By JAY BUSHNITZ

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Make-believe political process

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The way to hell is not always paved with good intentions.

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... a May 1996 agreement between the World Jewish Congress and the... of the dominant accounts. The... there were 774 such accounts... the number was higher... Jewish Agency... said yesterday he was... with the speed with which... the matter, he... publication of... would change soon, stating... were rapidly... for Bem, when... representatives to be offered... said, "After all... principle of justice, they... be seen and done



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Nazi war criminal Priebke sentenced to 15 years, will serve 5

By FRANCES D'EMILIO

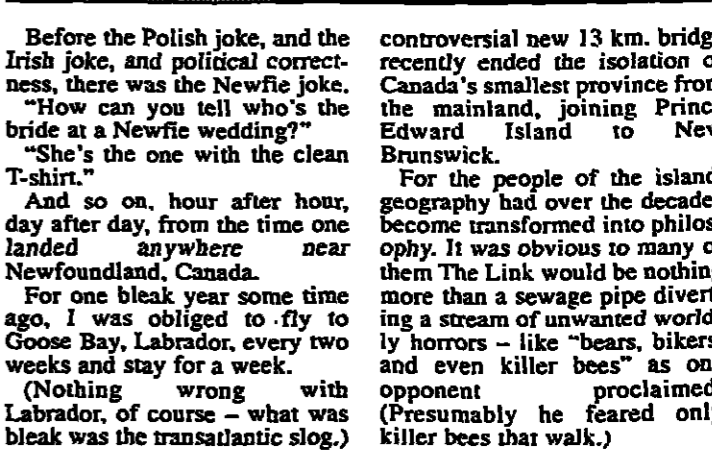
ROME (AP) — Erich Priebke, a former Nazi SS captain, was convicted yesterday of taking part in the wartime massacre of 335 civilians and was ordered to serve five years in prison. He was given a 15-year term, but the military court took off 10 years under a long-standing amnesty. Priebke's co-defendant, former SS Maj. Karl Hass, also was found guilty. Hass was given a 10-year, eight-month sentence, but the court suspended the term and allowed him to go free because it found he had played a lesser role in the massacre. The prosecutor, Antonino Intelisano, had sought a life term for the 83-year-old Priebke and 24 years for Hass. But he expressed satisfaction with the verdict. Priebke and Hass, 64, participated in the 1944 killings, which were ordered by the

Nazis as retaliation for a resistance bombing that killed 33 Nazi soldiers. In a trial a year ago, Priebke was effectively cleared because the court did not find him guilty of aggravating circumstances needed to override Italy's 30-year statute of limitations on murder. That verdict prompted outrage in Italy and around the world. Italy's highest appeals court ordered a retrial because of bias in his favor by the previous court. "It's not 15, but it's still five. A life sentence would have given a strong symbolic message," said Tullia Zevi, leader of Italy's Jewish community. "We did not get a life sentence, but we do not want to be cruel and vindictive." Neither Hass nor Priebke were present in the courtroom when the judges retired. "This is a very wise and balanced verdict," Intelisano said. "It meets everybody's expectations. It affirms the principle that there is no statute of limitations on murder for war crimes." Priebke's lawyer said he

would not appeal the verdict, but would ask the court to free his client because of time served in jail or under house arrest since being apprehended in Argentina in 1993. The decision last year to free Priebke provoked a storm of anger from victims' relatives in Rome's Jewish community — 75 of the victims rounded up by the Nazis were Jews. The Italian government intervened ordering Priebke held pending examination of an extradition request by Germany. The civilians were slain on March 24, 1944, on orders from Rome's Nazi occupiers, who were seeking swift retaliation for a bombing by partisans in the Italian capital which killed 33 Nazi soldiers. "I only expect some justice," said Anna Maria Canacci, who lost her brother Ilario, then 17, in the massacre. "I expect that crime committed 50 years ago will finally have a fair conclusion." Intelisano, who also was prosecutor in the first trial, asked

the court to convict Priebke of carrying out the massacre deliberately and with cruelty and to sentence him to life in prison. Like Priebke, Hass admitted shooting two of the civilians. But the prosecution argued that Priebke's role was greater because he checked off the names of the victims as they were led to slaughter. The defense contends Priebke had no choice but to follow orders, or face a firing squad himself. In the first trial, Hass was called by the prosecution to testify against Priebke. But hours before his court date, Hass tried to flee from his Rome hotel by jumping off a terrace and broke his pelvis. Under house arrest since, Hass was made a defendant in the second trial, which began in April. Priebke has been under house arrest in a Franciscan convent in the hills southeast of Rome.

Column One
Don't laugh, it's only Canada
By Thomas O'Dwyer



Before the Polish joke, and the Irish joke, and political correctness, there was the Newfie joke. "How can you tell who's the bride at a Newfie wedding?" "She's the one with the clean T-shirt." And so on, hour after hour, day after day, from the time one landed anywhere near Newfoundland, Canada. For one bleak year some time ago, I was obliged to fly to Goose Bay, Labrador, every two weeks and stay for a week. (Nothing wrong with Labrador, of course — what was bleak was the transatlantic slog.) From the moment we arrived on the eastern seaboard, either Canadians or the Newfoundlanders themselves seemed bent on proving to us Far Easterners that the Newfie joke was no joke. Diverted once by weather from Goose to Gander, we watched in amusement as a manager in the deserted passenger terminal told a worker to move some flowers from a central table to one near the window. The worker scratched his head and proceeded to heave the heavy table with the flowers on it over to the window. Returning to Goose Bay, we booked into our accommodation only to collapse in hilarity on finding door handles on the insides of the closet doors. That night a burly trapper in a red tartan shirt struck up a conversation in the bar. He spoke softly with a thick Irish accent. "So, can you guess where I'm from?" he asked. Easy — the guttural rolled R was pure Tipperary, south, around Thurles. "Wrong," he said. "Never been out of St. John's in my life, except for Goose Bay. 'Tis 150 years since the family left Tipperary." "What exactly is Canada?" the returning European traveler would be asked. Of course there was Quebec and the uppity French making occasional headlines — spurred on by Charles de Gaulle's immortal faux pas of interference. "Vive Quebec libre." Or there was some obscure rigamarole about "repatriating the Constitution" from Britain — as if some careless Canadian had left it on a London underground train. Blessed indeed is the country that has no news. So — were Canadians Brits pretending to be Americans, or Americans pretending to be British? Recent times have seen Canada emerge somewhat from the sort of bland obscurity that once prompted a travel writer on the BBC to observe that the only thing worth seeing in Winnipeg was a somewhat unusual wind that blew around one street corner. An otherwise local Canadian story provides a neat metaphor for Canada's growing linkage to the world wide web of international affairs. Poor Canada. It is even called The Link. A

controversial new 13 km. bridge recently ended the isolation of Canada's smallest province from the mainland, joining Prince Edward Island to New Brunswick. For the people of the island, geography had over the decades become transformed into philosophy. It was obvious to many of them The Link would be nothing more than a sewage pipe diverting a stream of unwanted worldly horrors — like "bears, bikers, and even killer bees" — as one opponent proclaimed. (Presumably he feared only killer bees that walk.) How times change. In those bygone Labrador days I mentioned earlier, each of my many visits brought an excited update from the denizens of Happy Valley, the nearest, er, town, to Goose Bay, on the progress being made to link them to the rest of the world. For this part of Labrador, around the beautiful Churchill Falls, was as much an island as Newfoundland across the straits. The only way in and out was by air — or on foot, and few greenhorns attempted that and lived to tell the tale. The building of "the road" became a metaphor of progress to come for the impoverished few residents of this wild outback — over the years of delayed plans, it acquired the status of a legend, just out of reach. We outsiders had our doubts. This was pristine nature up here. We flew up north to Sagalek, westwards inland for hours, and back again, seeing trees, lakes, snow, and nothing else. This was a Canada to know and love. The Road would end all that — like The Link to Prince Edward Island. The Newfoundland Tipperary man would at last lose his 150-year-old perfect accent. We can go forward — but we can never go back — and that old Hibernian and his kin are about to yield at last to Hibernia. That's not the ancient homeland — it's the name of the oil rig moored some 200 miles offshore, nearly ready to pump in its first crude by the end of this year. And in the near-pristine hinterland of Labrador, The Road from Goose Bay is passé. The world's biggest nickel mine is now under construction. So, it's good-bye to the trapping and the fishing. Hello to the brave new world of the high tech and the oil and the silicon snake oil pouring out of modems. Grease-and-grunge music will replace the American satirical Newfie jokes and Irish jigs and Gaelic accents. And the Canadian prime minister will insult the American president on air, and Canadian fishermen will blockade US ships in harbor, and Quebec will scream for independence. And Canada will at last have a solid "image" in the world news. And everyone there will live happily ever after.

Irish Protestants present Blair new demands

By GILES ELGOOD

BELFAST (Reuters) — British Prime Minister Tony Blair faced fresh demands yesterday from political leaders of Northern Ireland's majority Protestant community angered at the terms of a new cease-fire declared by the IRA. Blair was due to meet Ian Paisley and other leaders of the Democratic Unionist Party, the second biggest of the pro-British Protestant parties in the province. They insist Sinn Fein, the IRA's political wing, must not be allowed into Northern Ireland peace talks without a commitment from the IRA to hand in its guns. Peter Robinson, deputy leader of the DUP, told reporters: "The prime minister has to be told that the people of Northern Ireland do not accept IRA/Sinn Fein coming into a process holding onto their guns, without giving any commitment of the permanency of their cease-fire."

He added: "I think we would want to talk to the prime minister about how we might have a proper talks process with constitutional legitimate parties." Northern Irish Protestants have expressed skepticism at the IRA cease-fire declared on Sunday because it makes no reference to a permanent truce in its 28-year struggle against British rule. The last cease-fire, declared in August 1994, was broken 17 months later when the IRA exploded a huge bomb in London's Docklands area, killing two people. Hardline Unionists have said their political leaders should not sit down with Sinn Fein, which is now expected to be let into the peace talks following the IRA truce.



March of protest
Pro-democracy protesters chant slogans while marching toward Hong Kong leader Tung Chee-hwa's office yesterday, asking him to pass on to Chinese leaders their request for the release of two prominent Chinese dissidents.

Anti-West Bosnia TV revives wartime rhetoric

By TRACY WILKINSON

PALE, Bosnia-Herzegovina — Night after night, Bosnian Serb TV warns its viewers of the dangers. NATO aircraft enforcing peace are dropping poisons on Bosnian Serb communities, causing birth defects and deforestation, a broadcast advised last week. It showed footage from 1995 NATO air strikes in Bosnia. And in another broadcast: "Local scum from Moslem Sarajevo" are working with "Arabs, blacks, Mongolians and other experts of the international community" to take over Bosnian Serb institutions. The commentaries on Spska Radio and Television (SRT), diplomats say,

revive the harshest wartime rhetoric and are designed to inflame anti-West sentiment among Bosnian Serbs. SRT represents the most vivid example of how the continued influence of indicted war crimes suspect Radovan Karadzic, who controls the station, undermines peaceful rebuilding of the shattered country, the diplomats add. As the chief propaganda machine for Bosnian Serb rulers, the television's tenor has grown increasingly shrill since a power struggle involving Karadzic erupted late last month and after NATO troops on July 10 killed a war crimes suspect and arrested another — a "brutal murder and perfidious arrest," as SRT describes it every evening.

And the countercriticism from international officials is increasingly as harsh. They obliquely warn of reprisals as "robust" as the jamming of SRT's signal. On Monday, US Ambassador to the UN Bill Richardson, in Sarajevo on a fact-finding visit, added his criticism: "Attempts (by Bosnian Serbs) to use the state-controlled media to whip up fear and hostility toward (NATO) are extremely irresponsible and unwise." But while talk is tough, the options for punishment are limited. Pulling the television's plug, jamming its signal or deploying NATO troops to keep it off the air "are heavy-handed Soviet-style tactics that would be counterproductive,"

warned one international official with long experience in the Balkans. "The Soviets used to jam Voice of America and BBC radio in Poland, and it made (people there) want to listen even more. You can roll tanks and take over the station and then what do you do?" The SRT signal is heard and seen throughout eastern and northern Bosnia-Herzegovina and a small part of the Muslim-Croat controlled area. Little alternative television is available to most Bosnian Serbs. Propaganda was the most insidious effective tool during nearly four years of war in Bosnia, and introducing an objective media has been a principal goal of foreign peacemakers. (AP)

BEIRUT

Continued from Page 1

"This is the heart of Beirut, the heart of the capital, the heart of Lebanon," said Rached Fayed, a senior official with Solidere, the giant private consortium that is undertaking the \$1.8 billion downtown reconstruction project. "When we are done, the city's financial district will again become one of the most important in the Middle East." But despite the hype, and despite much enthusiasm for the reconstruction, it's not that simple. Just a few blocks from the downtown project lie reminders that years of war are not easily wiped away and that a face-lift, in the end, is only a face-lift. Here, along the old "green line" that separated east Beirut from west, the buildings remain shattered and destroyed, as if the 15-year war ended just yesterday rather than seven years ago. Roofs have been entirely blown off, balconies charred by repeated bombings, facades pitted and pocked by years of machine-gun fire. Despite their obvious unsuitability, almost all the buildings are inhabited, as evidenced by the laundry hanging from their crumbling facades. The residents are squatters, mostly, whose own lives remain shattered and dislocated by the war. In the apartment of Khoder Haddad, a 24-year-old part-time government employee, a missile banged off one wall during the civil war and exploded on the other, leaving two holes 6 feet

in diameter in his walls. The building no longer has running water or electricity, except for what Haddad and the 11 relatives who live with him can steal from the wires that pass by their windows or siphon from the pipes on the street. There are no doors or windows, just holes in the walls. "It's nice that they are rebuilding the country, I guess, but we poor people will remain poor," he said in an interview. "It won't do anything for us. Here, if you have money, you eat, and if not, you starve." Rebuilding a country after a civil war is not easy — particularly one with 17 sects of Shi'ite and Sunni Muslims, Maronite Christians, and Druse still unsure of one another, and more than 300,000 Palestinian refugees living in squalid camps. There also are Israeli troops and Hizbullah fighting each other in south Lebanon, and more than 30,000 Syrian troops occupying the rest of the country. A recent United Nations report found that one-third of Lebanon's residents lives below the poverty line. The government of Prime Minister Rafik Hariri has undertaken its ambitious reconstruction plan despite these obstacles. Hariri, a billionaire real-estate developer who made his fortune in Saudi Arabia, clearly hopes that encouraging outside investment, inviting foreign companies to relocate in Beirut, and rebuilding the country as a financial center will have trickle-down benefits for the needy as well. It was the Hariri government,

for instance, that decided the casino should be reopened. A once-grand palace where Frank Sinatra sang and which rivaled Monte Carlo, it had been taken over by rival Christian militias during the war and eventually closed. Since reopening in December, the casino has been consistently crowded, with an average of 1,500 people coming through each night to play blackjack, roulette, slot machines, and poker, according to Nicholas Crabtree, vice president of its London-based management company. And Solidere, another Hariri brainchild, intends to finally take action on the tallest building in Beirut, a 34-floor office tower built in the 1970s, which sat empty for a quarter of a century and became a sniper's nest during the civil war. Now it is set to become the Beirut Trade Center, complete with a rooftop restaurant, a 660-space parking garage, and luxury offices for some of the thousands of companies Hariri hopes to lure to town. The entire cost of repairing the war damage and rebuilding the capital has been estimated at \$35b. or more. But the plans have been controversial at every step. Critics argue that Solidere's decision to demolish rather than renovate virtually all of the old buildings in the 400-acre downtown rehabilitation area will change the character of the city, irrevocably and for the worse. They also argue that the 120,000 people who were relocated to make way for the project were not suitably compensated. Thousands of commercial

tenants were relocated as well. Of even more concern is the fact that the middle-income and luxury apartments being built will be far out of the price range of most of Beirut's residents. "Most of the people in Lebanon are poor and will not be able to put aside what it takes to pay the principal and interest on a newly built apartment," said Kamal Hamden, an economist with a private consulting firm in Beirut. "The truly needy will not be the beneficiaries here." Hariri himself has come under sharp criticism for his personal role in the lucrative reconstruction project: With 6 percent, he is now the largest shareholder in Solidere. He has invested more than \$125m. in the company's stock, and he stands to earn far more. "The whole plan is designed to enrich the developers, who acquired it low — just crumbling buildings in a destroyed neighborhood — and now most of the infrastructure work is being paid for by the taxpayers," said Assem Salam, head of the Lebanese Institute of Architects and Engineers. A more practical problem with the reconstruction plan is that the country is in the midst of an economic slowdown. There are apparently 60,000 or 70,000 vacant apartments in the city, and some people are worried the city has already been overbuilt. What's more, the building projects have required heavy borrowing and the country is falling deeper in debt. (Newsday)

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Barak's test of statesmanship

Tomorrow the leader of the Labor Party, Ehud Barak, will cap off a string of meetings with Arab leaders by meeting with Palestinian Authority Chairman Yasser Arafat. Back at home last week, in his meeting with Golan residents, Barak prided himself on not pulling punches and being honest with them about his intentions. It will be a measure of Barak's statesmanship whether he can deliver to Arafat a similarly unwelcome message.

Barak's scheduled meeting with the Egyptian President Mubarak and Jordan's King Hussein. In fact, the king invited Barak to Jordan on an "emergency" basis and sent his personal helicopter to pick him up. It is par for the course for Egypt and Jordan to host Israeli opposition leaders, and to treat them especially nicely if they are not pleased with the incumbent prime minister.

In his meetings with Arab leaders, Barak reportedly shared his concerns about the state of the peace process, but refrained from criticizing the Netanyahu government while on foreign soil. He also, appropriately, declared that it is his policy to coordinate such meetings with the government, and not to attempt to conduct a negotiating track parallel to the official one.

On the other hand, Barak seemed perfectly pleased to share Hussein's and Mubarak's "urgency" and "concern" regarding the peace process, thereby pointing to the shared interest the Israeli opposition has with Arab leaders: to blame Prime Minister Benjamin Netanyahu for troubles in the peace process.

Barak has not copied some of the more egregious examples of opposition politicians actively undermining the policies of the existing government, as practiced by both Labor and Likud in the past. What would be refreshing, however, is if Barak set a new standard of statesmanship by putting the nation's interests above that of his own as opposition leader.

When Barak met with Golan Heights residents recently, he surprised them and many political pundits by not declaring his fidelity to Israel's eternal presence on that strategic plateau. Instead, he repeated Yitzhak Rabin's formula that the depth of Israel's withdrawal from the Golan would match the depth of the peace Syria was willing to accept.

Members of his own party called this move politically foolhardy. They might be right, but Barak may have scored more points with the public at large for being honest than he would have had he engaged in empty pandering.

In fact, the eventual electoral contest between Netanyahu and Barak is likely to turn less on policy - on which the gaps could be difficult to

discern - than on character and judgment. As an opposition leader with little government experience (though much more than Netanyahu when he took office), Barak's opportunities to demonstrate statesmanship are somewhat scarce. Tomorrow's meeting with Arafat will be such an opportunity.

The easy, expected road would be for Barak to let stand unchallenged Arafat's refusal to accept the government's standing offer to engage in accelerated final status negotiations - an offer which a few years ago the Palestinians would have leapt at. No one would be surprised if Barak stood by Arafat's side - as he did with Mubarak and Hussein - and let him place the entire blame for the stalemate on Netanyahu's doorstep.

Statesmanship, however, is almost by definition built upon resistance to political expediency. In this case it would be to deliver to Arafat a tough message that, ironically, could have more power coming from the opposition than from the government: Drop the violence and your demands that Israel go beyond the Oslo accords; take Israel's offer to start final status talks now.

Palestinian policemen were recently caught by Israel on their way to carry out a terrorist attack, the Palestinian Authority just showcased a raided bomb "factory," and security officials have warned that Hamas and Islamic Jihad are "capable and ready" to engage in a new wave of suicide bombings. The building of a new neighborhood in Jerusalem on Har Homa, however "provocative" to Arab sensibilities, does not violate the Oslo accords, and in no way can justify the serious deterioration of Palestinian commitments to combat terrorism.

If Barak publicly and categorically rejected Arafat's linkage between a Jerusalem neighborhood and Palestinian laxity towards terror and its negotiations boycott, it could have a tremendous impact on unraveling the current stalemate. If Arafat still is holding out for a better deal from a Labor government that is nowhere in sight, Barak's statement would shatter that illusion.

Barak could choose to act as a cardboard cutout of his role as opposition leader. His job is to do whatever will cause the government the most trouble, within existing norms, in the hope that it will fall.

Opposition parties around the world cannot admit it, but crisis, collapse, and catastrophe are in their political interest. There are times, however, when defying expectations, speaking hard truths, and acting like a statesman is not only good for the country, but the greater part of political valor.

LETTERS TO THE EDITOR

WOMEN AND AIDS
Sir, - Two articles appeared recently in *The Jerusalem Post* regarding the HIV/AIDS problem. Both articles are alarming because of the evidently inadequate programs and policies used to constrain the spread of the disease.

In both articles, little attention is given to the problem of intravenous drug use among women and the spread of HIV/AIDS. In a 1995 report by the US National Institute of Drug Abuse (NIDA), it was found that injection drug use caused AIDS in 41 percent of the 58,000 infected women in that country. Women's drug use often involves membership in a network with HIV-infected individuals where direct or indirect sharing of injection equipment (e.g., syringes) and/or sexual liaisons are transacted and where the social context (e.g., shooting gallery) affects the likelihood of transmitting HIV. Drug-dependent women are more likely to acquire HIV sexually than men. Violence may be an additional risk factor. This is because women with abusive partners practice more HIV-risk behaviors and are less

likely to seek drug treatment or disclose their HIV status to their partners than non-abused women. The proportion of female HIV infected drug-users is not the same in Israel as it is in the US; nevertheless, it is one of the most serious problems associated with drug use because of its potential impact on public health. In a recent study of the drug problem in the Negev, 10 percent of the estimated 3,500 addicts are women and the vast majority of them, as much as 80 percent, receive no treatment for their addiction, which is often supported through prostitution.

FROM OUR ARCHIVES

60 years ago: On July 23, 1937, *The Palestine Post* reported that the British Coronation Season, one of the gayest since World War II, was over. About 300 debutantes were presented at the Royal Courts.

Breaking a silence that had lasted for 21 years, Colonel Sir A. Henry McMahon, First British High Commissioner for Egypt in 1914-1916, revealed that Palestine was not included in the pledge given by the British to the Arabs and the late ex-King Hussein.

50 years ago: On July 23, 1947, *The Palestine Post* reported that night curfews were imposed on Jerusalem and Haifa. A 12-year-old boy was killed and two soldiers and a civilian who assisted

them in announcing a curfew severely injured when their jeep was blown up in Hadar Hacarmel.

The Iraqi Petroleum Company oil pipes connecting Kirkuk with Haifa were damaged while the Yishuv continued to protest the deportation of *Exodus 1947* "illegal" immigrants to an unknown destination.

A memorial service was held on the first anniversary of the bombing of the King David Hotel where over 100 Jews, Arabs and British men and women lost their lives.

25 years ago: On July 23, 1972, *The Jerusalem Post* reported that the government had decided not to allow the former inhabitants of Ilrit and Birim villages to return

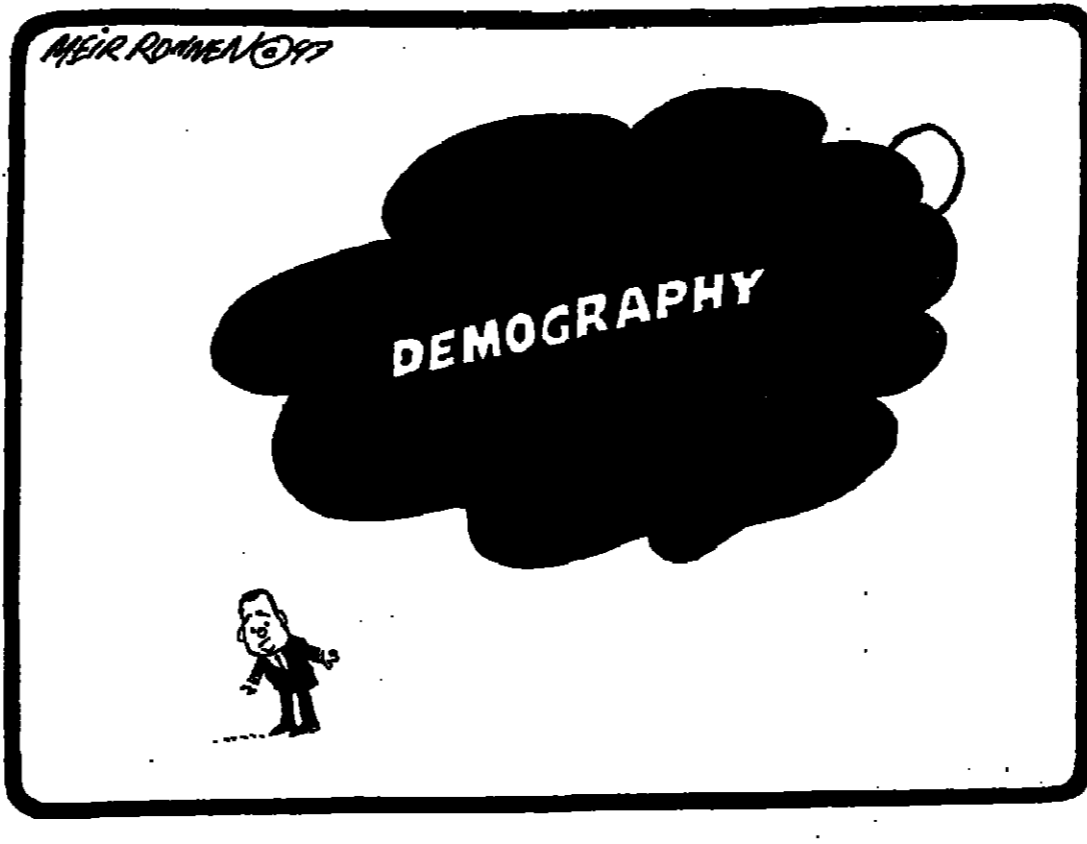
to their homes which they left during the 1948 War of Independence.

15 years ago: On July 23, 1982, *The Jerusalem Post* reported that the IDF destroyed three Sam-8 missile sites in Lebanon while Syrians shot down a Phantom plane and warned that they would fight the Israeli attacks with "all types of weapons."

10 years ago: On July 23, 1987, *The Jerusalem Post* reported that the Soviet Union warned Israel, in a Hebrew radio program, that a continued development of Jericho II missile constituted a direct threat to its security.

Alexander Zvielli

Shadow cabinet



The gold rush

The spotlight this week is on the Swiss banks' imminent release of a first list of names on dormant Jewish accounts from the Holocaust years. Returning these monies to the families of their original depositors is clearly a remedy long overdue.

At the same time, a more questionable hunt continues for the "Nazi gold," treasure looted from Jewish owners worldwide. We are learning that, like the legendary gold of the Niebelungen, Nazi gold evolved over time, changing both form and ownership, bringing misfortune to its wrongful owners wherever it went.

Now we are seeking the resolution to the story. As in the legend, we wish to restore the gold to its rightful owners so justice can triumph.

Unfortunately while life may imitate legend, the two can never merge. In this case, the gold has become hard to identify over the span of half a century. The thieves were many, and are hard to identify as well.

Most of those who today run the governments and corporations that once dealt in Nazi gold were born after the crimes were committed. They do not personally share the guilt of their predecessors and, to a large extent, are not more aware of the details of the transactions that occurred than the treasure hunters themselves.

Finally, the true owners of the treasure are also long gone. Their legitimate heirs are few and hard to identify.

Thus we have a bizarre spectacle. Committees are meeting in diverse places around the world, pointing accusing fingers and speaking of astronomical sums that must be accounted for and returned. Among the accusers are actual Holocaust survivors - but they are very old and few in number. They ask for a few dollars to ease their poverty-stricken old age.

Most of the rest are more or less professional "holocausters," who perhaps have a real interest in preserving the memory of the geno-

cide, but have now stumbled on the vision of unclaimed wealth returned to them - no matter their distance from those who were actually robbed during the Holocaust.

Finally there is the US government, which, as the country perhaps cleanest of involvement with Nazi gold, seems to be moving toward a new version of the Nuremberg Trials for some reason

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By right

JONATHAN TEPPERMAN

The squatters who occupied a Jewish Agency absorption center in Mevasseret Zion made big news two weeks ago when they were forcefully evicted by police. They made the papers again a few days later, when they reentered the dispossessed homes. Since then there has been no news from Mevasseret. This may suit the squatters and their champions in the cabinet.

But as events on Sunday in Lod showed - there another group of squatters seized another absorption center - the problem is far from over. Ignoring it, as the government seems bent on doing, will only magnify the problem.

About the squatters themselves: These people are not homeless. Despite media reports to the contrary, most of those who invaded the Jewish Agency's apartments had alternative accommodations. By their own admission, the only problem was that they had to pay for them - which they objected to while new immigrants had free accommodation.

The squatters may be technically "disadvantaged," but they came to Mevasseret Zion with cell phones, and they drove there in their own cars.

They are not people who need housing. They are people who felt the government should give them housing for nothing.

The Mevasseret episode says a lot about Israeli society today. It says Israel has developed its own domestic culture of entitlement.

The squatters' rhetoric seems to bear out the warnings of US pundits who oppose a poorly-managed welfare state: Too many government subsidies with too few strings attached teach people that they are entitled to government handouts by right, not privilege.

HOW ironic that this attitude found expression under the Netanyahu regime, and that this government encouraged it. Despite the obvious illegality of

Mevasseret: society in a bad light, politics at its worst

the squatters' actions (they cut bars and smashed doors to enter the apartments) and despite pleas from the Jewish Agency, the police acquiesced when the squatters retook the absorption center several days after their original eviction.

The police were ordered to be passive by Interior Minister Kahanani, who had been told to do nothing pending a political decision. No such decision has yet been made, thanks to pro-squatter pressure from David and Maxim Levy - which brings us to the second lesson of Mevasseret: Geshet will use any issue for political gain.

Whatever their social policy, it is hard to imagine that the brothers Levy truly support the squatters' cause. What they do support is anything that seems likely to weaken Netanyahu.

This is politics at its worst, utterly devoid of ideology. It is about scoring points.

None of this is to say that the squatters might not have some legitimate grievances. Their parents settled Mevasseret 30 years ago, when it was convenient for the government to have them there, and since the neighborhood has become more expensive their presence has become less attractive. The government has not kept its word to the squatters, first promising to house them, then reneging. But this doesn't mean they should simply be left where they are.

By occupying the apartments, the squatters have deprived needy new immigrants of living space. Their actions, illegal and violent, diminish general respect for the rule of law.

The seizure of Jewish Agency apartments by armed squatters should not be confused with civil disobedience. Political theorists from Mahatma Gandhi to Martin Luther King to Ronald Dworkin all agree that civil disobedience must be open, peaceful, and only after all normal political channels have been exhausted.

The squatters crept into the apartments late at night, they came armed, intimidating new immigrants living around them.

The government's failure to remove the squatters was tantamount to encouraging their actions. And so, on Sunday, a new group of squatters seized a new absorption center. One of their number told this newspaper, "This time we're here to stay."

The writer is currently interning at The Jerusalem Post.

An unnecessary retreat

The gate to the academy of Aristotle bore this inscription: Love Socrates, love Plato, but love truth more than either.

Experienced civil servant that he is, Eitan Bentsur obeys the government's instructions to the letter. As Foreign Ministry director-general, he accompanied David Levy to Brussels this week for talks with Yasser Arafat and the foreign minister of the EU.

But Bentsur's position vis-a-vis the Netanyahu government notwithstanding, his political opinions remain unchanged - a fact which makes his forthcoming book *The Road to Peace Passed Through Madrid* rather significant.

The book aims to show - and succeeds - that the great breakthrough to peace didn't come with the Oslo agreement, as is generally believed, but occurred at Madrid.

Now the name we associate with Madrid is Yitzhak Shamir, while Shimon Peres is inextricably linked with Oslo; but neither man's place in history will be enhanced by our ignoring the basic fact Bentsur brings out.

He reminds us that it was following the Madrid conference that Israel established diplomatic relations with 30 countries, including China and India; at Madrid that the principle of direct bilateral negotiations between Israel and the Arab countries was put into practice.

And it was at Madrid's opening session that president Bush credited the notion of "territorial compromise," peace with open borders and diplomatic and eco-

mic relations. HISTORICAL accuracy aside, Bentsur's divergence from conventional wisdom could help us in

Madrid, where we began. Oslo, where we've gotten stuck

our dispute with the Palestinians. Bentsur makes no recommendations about implementing Oslo - there he is restricted by being a civil servant - but his observation that taking the Madrid route would have brought Israel more gains than treading the Oslo path couldn't be clearer.

In our Washington talks with a Jordanian-Palestinian delegation following Madrid, the Israeli delegation was not authorized by the (Rabin-Peres) government to suggest any fewer compromises than our representatives at Oslo offered the PLO.

Bentsur doesn't comment on this, but we may surmise that had we only persisted at the Washington talks and been less bewitched by the air of secrecy that pervaded Norway's official guest house, many of our current difficulties in implementing Oslo would not exist.

The gap between Israel's position in 1991 (Madrid) and its position this week in Brussels has grown out of international changes and new alignments. In 1991 the Arab states had lost their ability to maneuver between

the US and the USSR. Today they err in believing that they can maneuver between the US and the EU.

In 1991, furthermore, the Arabs realized that they had lost the military option vis-a-vis Israel. The US's rallying to the aid of Kuwait had dispelled their belief that the Vietnam syndrome had undercut American will and readiness to combat aggression.

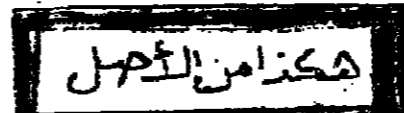
The knockout American blow to Iraq opened the Arabs' eyes to the realization that the US would likely if they attacked. And, of course, they had lost their Soviet right arm. Lacking a military option, they looked to minimize their diplomatic losses by participating in Madrid.

Now some Arab politicians have found a substitute for Soviet military support - Iran's unconventional missiles gleaming away in the distance. This explains the growing threats of a resort to force if Israel does not submit to Arab demands.

At Madrid and the Washington talks that followed Israel insisted on bilateral talks, without American participation. This week Nabil Shaath conditioned his meeting with David Levy on a European presence. Similarly, our defense minister cannot meet with Saeb Erekat without the Egyptian and US ambassadors being there.

A precise memory of how we started out and an understanding of the undercurrents in the international arena could yet free our negotiations with the Palestinians from crisis, even without mediators.

The writer, a veteran journalist, comments on current affairs.



More behavioral disorders in children of pregnant smokers

Boys born to women who smoked heavily during pregnancy are more likely to suffer from various behavioral disorders. And women over 30 who are exposed to second-hand smoke during pregnancy have a greater chance of delivering a premature or underweight baby. The findings from two US studies released this month have provided yet another argument for stamping out smoking, US researchers said last week.

A University of Chicago study found that women who smoke more than 10 cigarettes a day during pregnancy are at greater risk of giving birth to misbehaving children. The risk that children would be diagnosed with conduct disorder — defined as at least six months of "serious" antisocial behavior — was 4.4 times greater in boys whose mothers smoked at least 10 cigarettes per day during pregnancy compared to mothers who smoked fewer than 10 cigarettes a day or mothers who did not smoke at all.

In the report published in the American Medical Association's Archives of General Psychiatry, University of Chicago researcher Lauren Wakschlag said 177 boys aged seven to 12 were evaluated over a six-year period.

Previous studies have suggested that maternal smoking produced changes in children's brain functioning by altering how DNA and RNA molecules were synthesized by the brain.

Boys diagnosed with the disorder engaged in at least three of the following misbehaviors frequently and persistently: lying, arson, vandalism, physical cruelty, forcible sexual activity, and/or stealing.

"During their lifetime, youth with conduct disorder create extraordinary costs for society by being markedly more likely to use criminal justice, mental health, substance abuse, medical and special education services," Wakschlag wrote.

Andrew Aligne of the University of Rochester School of Medicine in New York voiced support for a campaign to educate expectant mothers about the dangers of cigarettes in an accompanying editorial. He estimated the direct medical



Butt out please: Pregnant women exposed to second-hand smoke have a higher risk of delivering a premature or underweight baby than do women who live in smoke-free homes. (Jonathan Bloom)

costs of parental smoking in the US at \$4.6 billion, and overall loss-of-life costs at \$8.2 billion. "Involuntary tobacco exposure contributes each year to millions of cases of disease and disability, as well as to thousands of

deaths of American children. In fact, more young children are killed by parental smoking than by all unintentional injuries combined," he wrote.

Meanwhile, another study, in the July issue of American

Journal of Epidemiology, said hundreds of thousands of pregnancies a year in the US may be affected by second-hand smoke. "Given the proportions of older women giving birth in the United States and adult expo-

sure to ETS [environmental tobacco smoke], it is possible that upwards of 300,000 pregnancies among nonsmokers could be affected by ETS exposure, which has implications for the family and for the child's long-term growth and development," the study said.

The study was conducted by researchers at the federal Centers for Disease Control who analyzed data collected from more than 17,000 low-income women in Arizona and North Dakota.

It showed that second-hand tobacco smoke poses a much greater risk to the pregnancies of nonsmoking women over 30 than it does for younger women.

The study found that nonsmoking women older than 30 who lived with a smoker had a much greater chance of delivering a premature or underweight baby than did nonsmokers of the same age group who lived in a smoke-free home.

Babies born to the older nonsmoking women who were exposed to second-hand smoke weighed 90 grams less on average at birth than babies born in smoke-free homes.

Birth weight is regarded as one indicator of overall infant health and development.

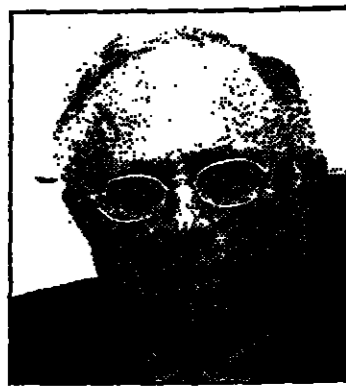
Links between second-hand smoke and pregnancy risks were weaker or absent among younger women or women who smoked, although older smokers exposed to second-hand smoke appeared to have greater risk of underweight babies than younger women in the same category.

There also was little difference noted in the weight of babies or the rate of premature births for women under 30 who did not smoke, regardless of whether they were exposed to second-hand smoke.

The study said factors behind the increased risk for older women could include the effect of airborne tobacco smoke on their placentas, which often work with less efficiency than those of younger women.

The article said factors unrelated to tobacco exposure may have affected the results. These include the accuracy of the women's reports of exposure to second-hand smoke, and certain social and economic factors. (Reuters)

GRAPEVINE



Labor's hopefuls for Jerusalem Mayor: Uzi Baram (left) and Benny Gaon. (Brian Heister/Isaac Harari)

Shopping for a candidate

By GREER FAY CASHMAN

The Labor Party is shopping for a suitable candidate to oppose Jerusalem mayor Ehud Olmert in the upcoming municipal elections. Although Amos Mar-Haim heads the opposition front in the current city council, Labor's movers and shakers don't think he has enough charisma to defeat Olmert at the polls. His detention yesterday on charges of income tax evasion certainly won't improve his chances. Former tourism minister Uzi Baram has declared an interest in running for mayor — but only if surveys indicate that he has a really good chance of winning. If Baram decides not to take up the gauntlet, Labor is pinning its hopes on Koor CEO Benny

mouthed as they saw and heard personalities such as Alfred Dreyfus, Albert Einstein and David Ben-Gurion.

Then what Leibler hoped to have been a surprise for Weizman turned out to be a surprise for Leibler himself. In a segment on the fledgling Israel Air Force, Leibler pointed out a figure who was allegedly Weizman. "No," said the president, noting that even the *Encyclopaedia Judaica* could occasionally be wrong. The pilot in question, he said, was one of the tallest men in the IAF and was now on pension from Arkia.

AUSTRALIANS resident in Israel felt a great surge of pride that despite the tragedy that engulfed it, the Australian contingent to the



From left to right: British Council director Harley Brookes, Ruth Dayan, Haifa Mayor Amram Mitzna and Rachel Shavit Bentwich. (Eyal Landmann)

Gaon, whose younger brother Yehoram holds the municipal arts and culture portfolio. Unlike Olmert, both Baram and Gaon are native Jerusalemites with a special appeal to Sephardi voters.

NOTED New York attorney and religious rights activist Nat Lewin, spoke at a recent Emanuel of America function at the Jerusalem home of Rena and Emanuel Quint. Lewin recalled that prior to the construction of the new Supreme Court building, Meir Shamgar and Menachem Elon, who were then on the bench of the Israel Supreme Court, were in the US for a legal conference. Neither had yet visited the Supreme Court in Washington, and Lewin, who had argued many cases there, invited them to take a tour. At the end of it, anticipating glowing comments about the architecture, he asked them what they liked best. "The red light," they enthused in unison.

Unlike Israel, the Supreme Court in Washington, when in session, has a white light which notifies the attorney on the floor that he has five minutes left in which to make his concluding remarks, and a red light which indicates that his time is up and that he must sit down even if he is in mid-sentence. Noting how difficult it was

15th Maccabiah decided to stay and compete. But no one was prouder than Eliyahu Honig, associate vice president of the Hebrew University. Honig, a tennis player, represented Australia when it competed for the first time at the third Maccabiah in 1950. He was a one-man team.

YOU can take the woman out of England, but you can't take England out of the woman. Which may explain why the late Muriel Bentwich, despite 60 years of living in this country, continued to capture and recreate the beauty of the English gardens to which she had been born. At the opening of a retrospective exhibition of her works at the Mane Katz Gallery in Haifa, Harley Brookes, director of the British Council, said that there was no doubt in his mind that Bentwich could be described as one of the best painters of the British landscape. The opening was attended by members of the Bentwich family, Haifa mayor Amram Mitzna and Ruth Dayan, a close family friend, who recounted that Muriel Bentwich, who had been known by her nearest and dearest as Budge, had indeed never budged without a sketchbook and pencil in hand.



Liz Taylor (AP)



Claudia Schiffer (AP)

to get Israeli lawyers to stop talking and resume their seats, the two justices were understandably impressed by a simple system which could impose silence.

THE FORMAL launching of Judaica Multimedia, Israel's CD-ROM version of the *Encyclopaedia Judaica*, took place last week at the President's residence. Those present included 50 of the project's 2,500 researchers and scholars, plus a number of dignitaries including Finance Minister Ya'acov Ne'eman, International Council of Women president Fauna Herzog, Israel director of the World Jewish Congress Avi Becker, Jerusalem mayor Ehud Olmert, former ambassador to Australia Yehuda Avner and former ambassador to the UN Yehuda Blum. Everyone craned to watch JMI joint manager Gary Leibler's presentation displayed on two giant screens and one smaller screen placed in front of the presidium. Those not familiar with multi-media were open-

FOLLOWING in the footsteps of Princess Diana, Elizabeth Taylor is about to put a bevy of her gorgeous ball gowns on the block. She is also divesting herself of some of her furniture and other knick-knacks, but not as yet any of the fabulous diamonds set jewelry pieces she acquired when married to Richard Burton. Proceeds from the auction will go towards AIDS research which is Taylor's pet cause.

The great on-again-off-again romance between super-model Claudia Schiffer and mind-blowing magician David Copperfield has apparently nothing to do with affairs of the heart, but a great deal to do with affairs of the pocket. *Paris Match* has the low-down on a business arrangement designed to give Copperfield, the American, more exposure in Europe, and Schiffer, the German, more media attention in the US. If the French publication is correct, Schiffer and Copperfield have little tolerance for each other, and their so-called love story which started in October 1993, is just an act.

PARENTING

A green house for children

By RUTH MASON

Tucked away behind a wild garden in Jerusalem's Katamon neighborhood is an underused gem of a resource for children under three and their parents. The Green House (Habayit Hayarok), also known as the Counseling Center for Parents, is a room with toys, books, a piano, a playhouse and the attention of two professionals who specialize in children. The Green House is open to the public two afternoons a week for two hours and is free of charge.

Children are free to explore the room, play with the toys or with other children, their mother (or father) or the professionals. Parents can sit back and relax or use the time to ask questions or talk about their concerns with the psychologists and/or social workers present.

"It's a wonderful place," says Orna, a mother of three. "Everyone should know about it." "I like hearing other mothers' questions; I like joining in the discussions," says Alessia, a 24-year-old mother of a three-month-old and a two-year-old, who has been coming to the Green House regularly for a year and a half. "Sometimes I have questions of my own. I like coming on different days and getting different points of view."

The Green House is staffed on different days by different senior psychologists and social workers from the Ministry of Health's Ihan Child Guidance Clinic, which sponsors the house.

It was established in 1990 by Rami Bar-Giora, the clinical psychologist who heads the clinic.

Parents can also learn by watching the Green House staff interact with their child. On a recent afternoon, Daniella, two, walked into

the Green House for the first time. After several minutes of opening, closing and peeking out of the door and windows of the large playhouse, Daniella walked over to Iana Fleishman, pointed to her pearl necklace, said "ne" and put her hand on her own neck.

"You like the necklace? You want to wear it. But it's Iana's," said Fleishman, who was working in the house that afternoon.

Throughout the afternoon, Daniella interrupted her play to try to touch the necklace, muttering that she wanted to put it on. Each time, Fleishman set the limit by saying she can't touch but she can look, and at the same time, acknowledged Daniella's attraction to the pearls and her desire to wear a necklace too. At a certain point, Fleishman tried to make Daniella her own necklace out of some plastic hoops.

Fleishman also verbalized her

observations: "Does Daniella always organize herself well in a new environment?" she asked the toddler's mother after noticing Daniella's immediate comfort in a strange place. And: "Does she like feminine things?" "Yes," said her mother. "She refuses to wear anything but dresses!"

Whenever Fleishman talked about Daniella in response to a question from Daniella's mother, she asked if she could include Daniella in the conversation. She then turned to her and said, "Daniella, do you hear what we're talking about? We're talking about how sometimes when you say new words, Mommy doesn't always understand."

Without giving a formal lesson in child rearing, Fleishman demonstrated the importance of acknowledging a child's feelings and desires, of gently but firmly setting consistent limits and of

respecting the child as a full human being. She was very responsive to the children present. She frequently commented on Daniella's activities, verbalizing for this pre-verbal child what she may be thinking and feeling: "It's annoying when someone grabs the toy phone away, isn't it?"

One of the benefits of the Green House, says Fleishman, is that children can be in social situations in the presence of their parents. When they encounter difficulties, they are helped by the staff. At one point, two-year-old Miriam came in, went straight to the playhouse and closed the door, refusing to let Daniella come in. "Tell her you also want to go in," Fleishman suggested.

The Green House is located at 2 Hahish; telephone (02) 563-3759. It will be moving to the Katamonim in the fall. There is also a branch in Beit Shemesh; telephone (02) 991-7506.

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Top honors for 'Afula Express'

About 60,000 people came out to view this year's Jerusalem Film Festival, a record number in the festival's 14 years. According to estimates, 87% of the tickets were sold to the general public.

The total amount of prize money awarded at this year's movie fest was NIS 310,000.

Four films competed for the Volgin Prize for best feature. The winner in this category was *Afula Express* (Israel 1997, Norma Productions, Klaf Productions and promoted by the Fund for the Promotion of Quality Israeli Cinema and Tel Ad). The film's director, Julie Shlez, was awarded NIS 64,000, and a sum of NIS 64,000 went to its producer, Assaf Amir.

Afula Express is a warm comedy that deals with love, magic, and little people who try to realize big dreams in the big city. Its stars

include Tzvika Hadar, Esti Zackheim, Aryeh Moskuna, Orly Perl, Natan Zahavi, Eveline Caplan, Pini Kidron, Amit Lior, and Tzipor Eisen. The jury awarded the prize "for the skills, inventiveness, and energy of its talented direction and for the outstanding quality of the acting."

Of the 10 contenders in the category of best documentary film, the Volgin Prize of NIS 32,000 was presented to Dan Kazir, director of *Out for Love ... Will Be Back Shortly*. It was commended "for the creative use of documentary techniques in blending a fresh and captivating personal story with harsh contemporary events in Israel."

Two films to receive honorable mention were *M.G. Rehearsals for Departure*, directed by Ziva Postec, and *The Last Transfer*, directed by Ilana Tzur.

Jerusalem Post Staff

Survival of the unfittest

By HELEN KAYE

A brave new world where people can pick and choose the genetic characteristics of their children. Where the unwanted, the undesirable, or those considered misfits can be edited out of humanity.

These are the issues that confront the Golds in Jonathan Tolins's *The Twilight of the Golds*, which opens at the Beersheba Theater on Saturday.

The Golds are an American-Jewish family, close-knit, liberal and openminded. Then a gene plagues them into nightmare, their own *Twilight of the Golds*, and the parallel between the title of the play and Wagner's opera is intentional. The opera is the final work in the great Ring Cycle, which starts with the theft of a magic gold ring (the Rheingold) from the Rhine. In the play, the "villain" is genetics. The gods and the Golds play with Fate, and it destroys them and their world.

Suzanne (Sarit Vinograd) is pregnant. A new genetic test establishes that her unborn male child will probably be a homosexual, like her brother David (Gil Frank). Suzanne can have an abortion. But should she? "I wouldn't put myself in Suzanne's position. That's the real subject of this play: improving the human race," says Vinograd fiercely, her voice laced with loathing. "I wouldn't do such a test even if it existed and I'd demonstrate against it."

That his sister is even considering an abortion fills David with horror. As he sees it, by killing her unborn child, Suzanne is negating him. But it is more than that.

"What if you found out that the kid was going to be ugly, or small bodied... or need really thick glasses?" he shouts at her. "Where do we stop? You know we have relatives who died for less."

The Golds love each other. They love David and accept him, but their deep-down perception of him as abnormal is implicit in the play.

TOLINS, a homosexual, wrote the play in 1993, about 18 months before the publication of research that determined homosexuality may be inherited, like blue eyes or black hair.

"What kind of world do we want? and whom do we let in?" he wrote in the program notes to the West End production. In Washington, when the production opened there, he went to the Holocaust Museum and "yet again I was stunned by the Nazis' scientific attempts to rid the gene pool of unwanted units. Now, barely 50 years later, science is giving us the knowledge and tools that Hitler's medical staff only dreamed of."

"Maybe this is one of the tools it's better for us not to have," says Frank, "but we're a curious and greedy species. DNA is like the Rheingold. The knowledge we're so eager to have can rebound and hurt us."

"I don't know whether David would fight against Suzanne's abortion if it were not the question of a homosexual gene, because, as a homosexual, he's caught up in his own kind of fanatic loop."

In the end, more than the ethical and moral issues the play raises, it was "the personal level that shook me so deeply," says *Twilight of the Golds* director Gadi Inbar, "the parable. The idea that what Hitler wanted is now possible, and that we will not only have to confront these ideas. We will have to decide."

Jewish festival with a Polish soul

By GREER FAY CASHMAN

It was billed as the Seventh Jewish Culture Festival, and like its six predecessors, it was held in Cracow.

Any visitor unfamiliar with the geography of Cracow had little trouble finding their way to the main site of the week-long festivities. All they had to do was to follow the huge banners from the ancient market square to Kazimierz, the once vibrant Jewish quarter which continues to be the center of Jewish life in the former Polish capital.

The program looked very exciting: close to a dozen concerts, two shows, a cabaret, seven art exhibitions, several photographic exhibitions, a mini book fair, four movies, three theatrical productions, five lectures on Jewish subjects, plus workshops in Hebrew calligraphy, violin playing, Jewish paper cutting, Jewish cooking, Jewish, Hassidic and Yiddish songs, Jewish dancing and promotions for Jewish periodicals published in Poland.

The festival was promoted as an international Jewish culture festival. Certainly Janusz Makuch, one of its two directors, presented it as such when he came to Israel last year.

But it quickly became apparent that the only international aspect of the festival was that some of the performers and a slightly larger number of visitors came from overseas. Otherwise it was an entirely Polish festival - by Poles, for Poles, and conducted of course in Polish.

When a participant from Israel suggested to Makuch that he had misrepresented the nature of the festival by terming it "international," his report was, "well this is after all Poland, and Polish is the language of

the country." To which his interlocutor said: "we have international conferences in Israel all the time, and although Hebrew is the language of the country, we recognize that it's not an international language so we have simultaneous translations into English and other languages."

All the speakers, according to Makuch, were fluent in English and could have been questioned in English by people who didn't understand Polish.

"Well, they'd have to know what they were talking about in order to be able to ask the right questions," observed the Israeli.

Makuch took the point. As it happened, the Israeli did understand Polish and was therefore not inconvenienced, but there were other people who missed the thought-provoking issues raised in the lectures simply because they couldn't understand them unless they happened to be sitting next to someone who could translate.

While Makuch and his colleague Krzysztof Gierot deserve every commendation for their attempts to revive Jewish culture, even though they themselves are not Jewish, a certain resentment was nevertheless felt amongst some of the Jews present. They didn't like the idea of non-Jews appropriating their cultural heritage, no matter how well executed. A case in point was Kroke, a three-member klezmer group, which that is Piccadilly (in its Dizengoff branch or the two outlets in Jerusalem). Piccadilly makes a



Magic in Tel Aviv

Taking white rabbits out of 'em is old hat these days. Magic has come a long way with all sorts of clever tricks and sleight of hand. All this will be on view at the first-ever International Magicians Festival at the Tel Aviv Museum of Art from July 31 to August 2. There'll be performances and master classes with German thought-reader and magician Ted Lesley, Jeff McBride from the US, the man touted as Houdini's heir, David Marini and not least local magic master Cagliostro, who organized the event. (Text: Helen Kaye, Photo: Shvun Farag)

Arts and academia: A very Jewish marriage

By MICHAEL AJZENSTADT

Academia and the arts do not necessarily live in peaceful coexistence. From their ivory tower academics study and research the arts but artists themselves do not always accept the views of people who have no actual experience of creating and performing.

That said, artists and performers tend to feel quite proud when their work is discussed by academics, whether they agree with their conclusions or not. It seems that academic discussion in itself is a sort of stamp of approval because the work must have some value to warrant consideration in the first place.

There is no end to the discussion as to whether academics should be allowed to study the arts. The fact is that they do so all the time. When their discussion becomes

relevant and significant to society and the arts alike, then it should at the very least be given some consideration.

In the coming 12th World Congress of Jewish Studies (July 29 to August 5) at the Hebrew University of Jerusalem and other locales in the capital, many of the discussions will deal with the arts and not just theoretically.

On July 30 there will be a special klezmer music workshop within the congress. Among the many participants in the workshop will be composer/professor Andre Hajdu, one of Israel's most important composers and winner of the Israel Prize earlier this year, who skillfully manages to combine his academic and artistic existences.

Further topics to be discussed within the music section of the congress include, for example, Symbiosis of Turkish and Jewish Cantillation: The Istanbul

Tradition of Biblical Scrolls (Nurit Ben-Zvi), Oral Parameters and Discursive Functions in the Recitation of Mishna and Koran (Frank Alvarez-Pereyre) and many more. Congress participants will also be able to attend several musical presentations focusing on the various traditions of Jewish music from Yiddish to Ladino. A special evening will focus on Jerusalem in literature and music, in which Mira Zakai will sing Israeli songs focusing on Jerusalem, while many of our leading authors will read from their Jerusalem works.

Other sessions of the congress will be devoted to cinema, folklore, visual arts and an extended discussion of literature with an emphasis on Moshe Shamir's ground-breaking play about the War of Independence: *Hu Halach Basadot* ("He went into the fields").

Shopping for classics

By MICHAEL AJZENSTADT

If you have shekels to spare, if you like discs, and if you want to enlarge your CD collection whatever its size, then Dizengoff Street in Tel Aviv is your best bet. In the rather short distance between Dizengoff Center and the Cameri Theater, for example, there are four stores where you can get good value for your money.

There is a secret to the art of purchasing discs. Although it is no problem to buy a large and substantial number of discs for a relatively small amount of money, the secret is to get good value for what you are willing to spend. While there are inexpensive discs which no one would actually want to get in the first place, let alone listen to, there are also more than a few full-price discs that fall into the same category.

This survey is not necessarily of the best collection around (Tower is, after all, the one store - in both Jerusalem and Tel Aviv - where the varied selection is more than amazing). I am addressing bargain hunters. The first place for that is Piccadilly (in its Dizengoff branch or the two outlets in Jerusalem). Piccadilly makes a

point of selling fine discs at lower prices. You will not find the newest classical CDs in the catalog, but you will find at Piccadilly a huge selection of classical discs, at sometimes laughable prices. But you have to spend time there and browse systematically through what is available, otherwise you might miss many of the intriguing offerings. I make a point of going into Piccadilly every time I'm in the neighborhood.

Not far from there is Zeus 111 (a branch of the store in Tel Aviv's new central bus station). This shop offers new or relatively new discs on major labels at prices that are the cheapest around, at times up to NIS 10 less per disc than what you would pay at a store nearby. That aside, the selection at Zeus is rather limited (especially at the Dizengoff store). The classical discs are located on the second floor, along with ethnic and world music.

Here again, the secret to finding the real bargains (usually the boxed sets) is to take your time and browse. When you do, you will find some good buys there too.

Steimatzky book stores make a point of selling discs at sometimes

ridiculously low prices. Try the big outlet near the Cameri or any other Steimatzky around the country. But at Steimatzky, not all the inexpensive discs are good-quality performances or recordings, so you have to be really careful about what you get.

Disc Center in the Dizengoff Center has quite a wide selection. This store also tries to be up to date but does not always offer great bargains. But there are sales and special offers, which might bring you the exact disc you were looking for at a relatively low price.

There are some other disc stores around the country, but the ones I mentioned are the best places to find real bargains.

Tower Records is not necessarily the place for real bargains, but if you have the time and the patience, go and see what's on display there, too.

Disc maniacs who purchase a lot need to find the right balance between the great bargains which are usually offered on the older releases, and those new releases which usually cost a small fortune.

Of course by far the cheapest place to get these discs is in the United States.

NEWS

of the muse

Miller's affair of the heart

According to a German newspaper, wartime bandleader Glenn Miller died of a heart attack in the arms of a French prostitute in 1944 and not, as officially reported, in a plane crash. The mass-circulation *Bild* newspaper alleged that the famed trombonist and exponent of the big-band swing sound, who was portrayed by the late James Stewart in a 1954 movie, met his death in a Paris brothel.

It said the secret of how he died was discovered by a German journalist, Udo Ulfkotte, in US secret service files, while researching a new book on Germany's BND intelligence agency. *Bild* quoted Ulfkotte as saying the secret was a typical example of wartime misinformation, and the true cause of Miller's death was concealed to keep his legend alive and protect the morale of US troops. US military and intelligence officials were not immediately available to comment on the cover-up allegation.

Miller, born in 1904, was sent to Europe with US troops in World War II and became leader of the air force band which made broadcasts to troops throughout the world. Official reports said his plane vanished over the English Channel in December 1944. But *Bild* said British diver Clive Ward discovered the wreck of his single-engine plane off the French coast in 1985 and found no signs the plane had crashed, or any human remains. Miller's music is still hugely popular today and an album of rediscovered recordings released in 1995 sold over 400,000 copies worldwide. Reuters

Beating the 'Drum'

US video stores that lost copies of *The Tin Drum* in a police seizure want a federal judge to throw out a lower court ruling that said the Oscar-winning film is obscene. The Video Software Dealers Association, which represents the stores, filed a class-action lawsuit last week accusing Oklahoma City police of conducting an illegal search and seizure June 25.

"These events exemplify the dangers inherent in rushing to judgment and taking police action involving wholesale condemnation of a work of art based largely on judgments formed well before even viewing the film," the lawsuit states.

The 1979 German film, which won the Oscar for best foreign picture, was ruled obscene last month by District Judge Richard Freeman. The judge said Oklahoma law labels as obscene any film that has a person under 18, or anyone portraying someone under 18, having sex. *The Tin Drum*, based on the Gunter Grass novel, is about a boy who wills his body to stop growing as the Nazis come to power and invade Poland. In the movie, it is implied that the six year old performs oral sex on a teenage girl.

Within hours of Freeman's ruling, police confiscated copies of the movie from Oklahoma City video stores and at least one renter. The lawsuit seeks a ban on such seizures, the return of the videos and to have Freeman's ruling thrown out. AP

Cross-cultural festival for peace

Moslems, Christians, Druse, Jews, Circassians and Turks are all part of the '97 Nigunim Festival at Merom Hagallil in Western Galilee from August 18 to 21, a multicultural, multiethnic feast of dance, music, crafts, weddings and more. Local stars include Ahinoam Nini and Gil Dor, Zehava Ben, Amal Morkos, Eli Luzon, Ethnix, the Maronite choir from Gush Halav, a lively debka troupe and a dance company from Turkey. The theme is tolerance and coexistence. Helen Kaye

'Elixir' takes Nitzan to 'Algiers'

Following Omri Nitzan's hugely successful staging of Donizetti's *L'elisir d'amore* for the New Israeli Opera, it's hardly surprising that NIO general manager Hannah Munitz has quickly signed him and his team up again. Nitzan will direct Rossini's *The Italian in Algiers* to be produced in January 2000. Ruth Dar, his collaborator of many years, will once again design the set and Brian Harris will do the lighting. Nitzan is delighted, saying that "everything I learned while staging *L'elisir* will help me with the next one." Helen Kaye

HCO returns to Museum of Art

The Herzliya Chamber Orchestra returns to the newly renovated Herzliya Museum of Art with its '97/98 season of six concerts that are always preceded by a lecture. The lecturer is HCO founding music director Harvey Bordowitz, who always features lesser-known contemporary and new Israeli works among the old favorites. Subscriptions range from NIS 195 to NIS 389. Michael Ajzenstadt

Bar-Ilan goes ethnic

The department of musicology at the Bar-Ilan University presents a summer workshop for composers entitled *The Contemporary Composer and the Ethnic Challenge*. Participants will analyze authentic ethnic compositions and will also write original works to be performed by guest musicians. From August 17 to 27 participating composers will work with composers Betty Olivero, Gideon Lewensohn and Benjamin Yustusov. For further details and enrolment forms call Bar-Ilan University on (03) 531-8405. Michael Ajzenstadt

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Claridge buys half of Shamrock's stake in Koor; abandons Hapoalim tender

By JENNIFER FRIEDLIN

Claridge Israel yesterday announced it had bought half of Shamrock Holdings' stake in Koor Industries - which adds up to a 10 percent stake in Israel's largest holding company - for \$187 million, with a 90-day option to buy Shamrock's remaining 10% stake.

Meanwhile, Claridge also said it was dropping out of the government

tender for a controlling share in Bank Hapoalim.

Claridge said it bought 7.7 million of Koor's American depository receipts for \$24.25 each. The firm's option to buy the remaining 10% is based on the same price.

"With this move Claridge is 'making aliyah' and taking a leadership [role] in the Israeli economy," Claridge Israel's CEO Jonathan Kolber said.

Koor's Nasdaq-traded shares were

up 4% to \$22.625 by mid-morning.

As a result of the purchase, Claridge withdrew from the Arison consortium bidding for control of Bank Hapoalim. Under Antitrust Authority rules, a person or entity cannot have a holding in both Bank Hapoalim and Koor, in which Israel's largest bank holds a 23% stake.

The Claridge-Shamrock deal follows a prolonged struggle between Koor CEO Benny Gaon and Stanley Gold, who serves as chairman of Koor and president of Shamrock. Gold has expressed interest in breaking up Koor, claiming such a step would increase the company's market value.

"During our tenure as investors in Koor we have seen overall improvement in the performance of the company, but little or no improvement in the market price of the stock," said Gold, in his capacity as Shamrock president. "We still believe in the underlying value of Koor and that share values could be significantly increased by our proposals to spin off various components of the company." However, he added, "we do feel that we cannot pass up this offer to sell our shares."



Gaon: Friction with Gold
(Isaac Harari)



Gold: Seeking higher value



Kolber: Claridge made aliyah
(Aurum Galim)

Bank Hapoalim has opposed breaking up Koor until the sale of the bank is finalized.

Analysts said Gold's decision to unload Shamrock's holding in Koor may prove premature, as Koor's performance is expected to improve dramatically over the next year.

"If Gold had the patience to wait one more year, the holding would have proven very profitable," said Tal Liani, an analyst at Zamek Securities in Tel Aviv.

The company is expected to undergo fundamental changes, including the initial public offering

of communications giant Telrad and of a 20% stake in cement monopoly Neshet.

Telrad's IPO, which will be based on a market capitalization of \$600m, will "crystallize more of the hidden value in Koor," Liani said. He said he expects the Neshet sale to take place

by the first quarter of 1998, at a company valuation of \$900m. Morgan Stanley is currently conducting negotiations with undisclosed foreign companies regarding the sale, he said.

Sources close to Shamrock said that Gold was anxious to quickly increase the value of his holding in Koor in order to offset losses recorded by his other holdings, retailer LA Gear and supermarket chain Grand Union.

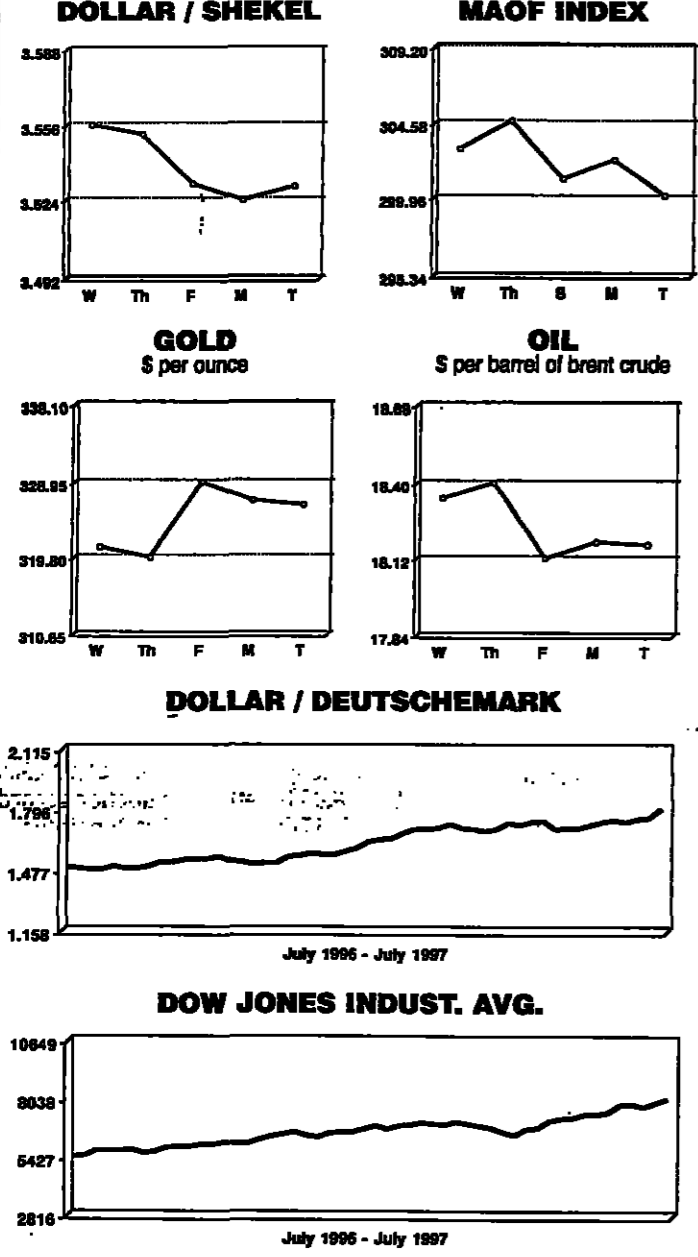
In March 1995, Shamrock paid \$250m for a 22% holding in Israel's largest industrial concern.

Meanwhile, Shlomo Nehama, managing director of Arison Investments Ltd., said Claridge's withdrawal from the Bank Hapoalim tender will not affect the Arison group. Claridge's 12% holding in the consortium will be redistributed between the other members, Nehama said.

Prior to Claridge's announcement, Tbd Arison had a 34% holding in his group; 60% was divided equally among the Dankner Group, Claridge, businessman Len Abramson, Michael Steinhardt and Charles Schusterman, who are bidding together. The Hyperion fund held the other 6%.

MARKETS

in brief



Analyst: Household phone bills to drop 13%

The introduction of competition in overseas dialing is expected to result in a 13 percent drop in a typical household's phone bill, according to Yonatan Katz, the chief economist of Capital Money Managers. Katz added that the newly introduced long-distance competition is bound to have a beneficial effect on the July cost-of-living index, reducing it by 0.2%, since phone services comprise 1.6% of the basket of consumer services.

Meanwhile, Bezeq International has launched the Globus 050 international dialing card with the same number as the user's Pelephone. Under a cooperation agreement between BI and Pelephone, users can call to and from Israel or between other countries using the credit card. They will be charged for the exact number of minutes called, and the conversations will not be rounded off.

Judy Stegel



Ne'eman meets World Bank chief

Finance Minister Ya'acov Ne'eman points out his predecessors to World Bank President James Wolfensohn as the two make their way through the ministry corridors to their meeting yesterday. During their talks, Wolfensohn requested that Israel join the international donor nations, which fund projects in countries with a per capita GNP of less than \$800. Ne'eman said he would consider the request.

(Ariel Jurewitsch)

Industrial production rises more than 5% in April-May

By DAVID HARRIS

Industrial production (excluding diamonds) grew at an annual five to six percent in April and May, compared to an annual 2% in the first quarter, according to initial figures published yesterday by the Central Bureau of Statistics.

Meanwhile, surveys from the Bank of Israel and Dun and Bradstreet also point to an increase in economic activity in recent months.

In addition to the industrial production figures, the Bureau reported a 2.5% annual terms increase in the actual hours worked by hired staff during the April-May period. This compares to an annual decrease of 2.5% in the first quarter.

Factory employee numbers remained constant in the two months covered in the survey after declines of 2.5% in annual terms during the first quarter of the year.

The Bank of Israel's index of integrated economic indicators rose 0.2% in June, and by 3.2% over the first half. This points to a widening of economic activity, according to the central bank's research department.

The June index comprised: retail sales increasing 2.6%, after a 0.3% rise in May; a 0.3% increase in the imports index, following 0.6% in May; and an increase in the industrial production index for May (this index is always a month behind for technical reasons) of 2.2%, following April's rise of 0.2%.

The Dun and Bradstreet index of the economy speaks of "a light recovery in industrial output and orders from the domestic market." However, the report also suggests June was a month of "water-treading."

The index increased in June to 51.3%, compared to May's 49.6%. The majority of the upward turn is explained through increases in the industrial production index and the local purchases index, the latter rising 5.1% after registering a decline in May.

The remaining Dun and Bradstreet indices recorded similar figures to those for May.

Tower mulls \$1.25b. overseas plant

By JENNIFER FRIEDLIN

Tower Semiconductor Ltd. will opt to build a \$1.25 billion factory overseas if another country can top Israel's investment aid package, CEO Rafael Levin said yesterday.

"We would prefer to build the factory in Israel, but the problem is the conditions the government is offering," Levin said.

Countries such as England, Ireland, Belgium and Germany give grants of up to 35% while Israel's direct subsidies total 20% of the investment, he said.

A grant of \$250m, or 20% of \$1.25b., represents half of the Investment Center's annual budget. The Investment Center is a division of the Ministry of Industry and Trade.

The Migdal Ha'emek company is weighing the grants plus any available tax breaks in order to determine where it can obtain the best package.

Tower is currently searching for a partner for the investment and is in discussions with several undisclosed foreign companies. The decision-making process regarding the investment will take at least another six months, Levin said.

Meanwhile, he added that the company's performance has improved since last year, when a weak market for semiconductors led to a significant drop in revenues and profits.

"The market got stronger and recovered and so did we," he said.

In the first quarter of the year, Tower reported record revenues of \$29m, and profits of \$4.4m.

The company's second quarter results were released last night after press time.

Tower manufactures semiconductor integrated circuits on silicon wafers, which are used in items such as computer and office equipment, communications products and consumer electronics.

Elta sets new orders record

By STEVE RODAN

Aircraft Industries, doubled its backlog of orders during the first half of this year, executives announced yesterday.

Executives said that in the first six months of 1997 Elta's orders totalled more than \$320 million, a record for the company.

Elta supplies radar and electronic warfare systems, including a sophisticated early warning airborne system that is regarded as a rival of US and Russian systems.

The company is working on several major deals, including the supply of the Phalcon early-warning system for the Chinese Air Force and the slated installment of the system in a Russian Ilyushin-67 cargo jet.

The company is also competing to supply the Phalcon to the Australian Air Force in a deal that is said to be worth more than \$300m.

Elta's revenues for 1996 were reported at \$230m. The company employs 2,300 workers.

The company's performance has heartened Defense Ministry officials, who are in the midst of discussions over how to restructure the government-owned defense industries, particularly IAI Defense Minister Yitzhak Mordechai, on a tour of Elta on Monday, termed it a model of an achievement-oriented company. Mordechai was accompanied by the ministry's director-general, Ilan Biran, and the head of research and development, Brig.-Gen. Yitzhak Ben-Yisrael.

The figures on Elta's backlog of orders comes as IAI executives are predicting that after years of losses the defense conglomerate will record a profit this year. They said their forecast of \$1.6 billion in 1997 sales is proving on target.

ISRAELI MONEY MARKETS			
Patah (foreign currency deposit rates) (11.9.96)			
Currency (deposit term)	3 MONTHS	6 MONTHS	12 MONTHS
U.S. dollar (\$250,000)	3.75	5.00	5.375
U.S. dollar (\$50,000)	3.75	5.00	5.375
U.S. dollar (\$10,000)	3.75	5.00	5.375
U.S. dollar (\$5,000)	3.75	5.00	5.375
U.S. dollar (\$1,000)	3.75	5.00	5.375
U.S. dollar (\$500)	3.75	5.00	5.375
U.S. dollar (\$250)	3.75	5.00	5.375
U.S. dollar (\$100)	3.75	5.00	5.375
U.S. dollar (\$50)	3.75	5.00	5.375
U.S. dollar (\$25)	3.75	5.00	5.375
U.S. dollar (\$10)	3.75	5.00	5.375
U.S. dollar (\$5)	3.75	5.00	5.375
U.S. dollar (\$1)	3.75	5.00	5.375
U.S. dollar (\$0.50)	3.75	5.00	5.375
U.S. dollar (\$0.25)	3.75	5.00	5.375
U.S. dollar (\$0.10)	3.75	5.00	5.375
U.S. dollar (\$0.05)	3.75	5.00	5.375
U.S. dollar (\$0.01)	3.75	5.00	5.375
U.S. dollar (\$0.005)	3.75	5.00	5.375
U.S. dollar (\$0.001)	3.75	5.00	5.375
U.S. dollar (\$0.0005)	3.75	5.00	5.375
U.S. dollar (\$0.0001)	3.75	5.00	5.375
U.S. dollar (\$0.00005)	3.75	5.00	5.375
U.S. dollar (\$0.00001)	3.75	5.00	5.375
U.S. dollar (\$0.000005)	3.75	5.00	5.375
U.S. dollar (\$0.000001)	3.75	5.00	5.375
U.S. dollar (\$0.0000005)	3.75	5.00	5.375
U.S. dollar (\$0.0000001)	3.75	5.00	5.375
U.S. dollar (\$0.00000005)	3.75	5.00	5.375
U.S. dollar (\$0.00000001)	3.75	5.00	5.375
U.S. dollar (\$0.000000005)	3.75	5.00	5.375
U.S. dollar (\$0.000000001)	3.75	5.00	5.375
U.S. dollar (\$0.0000000005)	3.75	5.00	5.375
U.S. dollar (\$0.0000000001)	3.75	5.00	5.375
U.S. dollar (\$0.00000000005)	3.75	5.00	5.375
U.S. dollar (\$0.00000000001)	3.75	5.00	5.375
U.S. dollar (\$0.000000000005)	3.75	5.00	5.375
U.S. dollar (\$0.000000000001)	3.75	5.00	5.375
U.S. dollar (\$0.0000000000005)	3.75	5.00	5.375
U.S. dollar (\$0.0000000000001)	3.75	5.00	5.375
U.S. dollar (\$0.00000000000005)	3.75	5.00	5.375
U.S. dollar (\$0.00000000000001)	3.75	5.00	5.375
U.S. dollar (\$0.000000000000005)	3.75	5.00	5.375
U.S. dollar (\$0.000000000000001)	3.75	5.00	5.375
U.S. dollar (\$0.0000000000000005)	3.75	5.00	5.375
U.S. dollar (\$0.0000000000000001)	3.75	5.00	5.375
U.S. dollar (\$0.00000000000000005)	3.75	5.00	5.375
U.S. dollar (\$0.00000000000000001)	3.75	5.00	5.375
U.S. dollar (\$0.000000000000000005)	3.75	5.00	5.375
U.S. dollar (\$0.000000000000000001)	3.75	5.00	5.375
U.S. dollar (\$0.0000000000000000005)	3.75	5.00	5.375
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U.S. dollar (\$0.0000000000000000000000000000001)	3.75	5.00	5.375
U.S. dollar (\$0.00000000000000000000000000000005)	3.75	5.00	5.375
U.S. dollar (\$0.00000000000000000000000000000001)	3.75	5.00	5.375
U.S. dollar (\$0.000000000000000000000000000000005)	3.75	5.00	5.375
U.S. dollar (\$0.000000000000000000000000000000001)	3.75	5.00	5.375
U.S. dollar (\$0.0000000000000000000000000000000005)	3.75	5.00	5.375
U.S. dollar (\$0.0000000000000000000000000000000001)	3.75	5.00	5.375
U.S. dollar (\$0.00000000000000000000000000000000005)	3.75	5.00	5.375
U.S. dollar (\$0.00000000000000000000000000000000001)	3.75	5.00	5.375
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U.S. dollar (\$0.0005)	3.75	5.00	5.375
U.S. dollar (\$0.0001)	3.75	5.00	5.375
U.S. dollar (\$0.005)	3.75	5.00	5.375
U.S.			

Fashioning the Versace legacy

The slain designer's heirs must decide whether to proceed with the IPO he had planned for next year

By ROBERT B. COX

MILAN, Italy — As Italian fashion mourns the passing of one of its favorite sons, Gianni Versace, Milan's financial circles are buzzing with scenarios on how to proceed with his ultimate show — a stock offering.

While Versace's murder in front of his Miami Beach mansion last week will certainly delay a planned 1998 IPO, investment bankers and analysts said the designer's siblings, Donatella and Santo, can take quick measures to assure the longevity of Italy's No. 2 fashion house behind Giorgio Armani. The most important move will be to install a top designer to take over the high-end couture and atelier activities that gave the \$300 million company its flamboyant image by making clothes in unconventional materials, embellished with off-beat designs.

"The key to Versace's success is whether they can call in an important and well-known fashion designer to oversee the core lines," said Roberto Casoni, an equity analyst at Robert Fleming Securities. "It's still quite risky, because the new guy would have to prove his skills are as good as Versace's."

That gamble, though, has worked for some other designers that lost their founders and key creative geniuses.

The houses of Christian Dior and Chanel, for example, both continue as high-temples of Parisian fashion even without their namesakes. Closer to home, Gucci Group, too, remains at the forefront of fashion without a family member in control; and Moschino has survived the death of its namesake.

Versace's status as a family company — one that

shrewdly tapped Santo's business savvy and Donatella's design skills — also may help the transition. In recent years, Donatella has come into her own as a stylist, overseeing the lower-priced Istante and Versus lines, which last year accounted for 16 percent of the company's \$500m. in sales. At the same time, while Donatella often is mentioned as Gianni's successor at the helm, bankers say her experience first as a model and later as a designer might not instill the confidence investors seek. Should she insist on taking her brother's place, an IPO might be out of the question.

Already, shoppers are voting with their wallets — a banker close to the company said Versace products are selling out at the company's stores all over the world. At Milan's La Rinascente department store, clerks said they can't keep the items with the designer's Medusa's Head trademark in stock.

Versace officials are saying nothing about their plans. In a statement Thursday, Donatella and Santo said only that they're "completely committed to and most capable of continuing" the company in the spirit created by their brother. Whether that will include proceeding with the slated IPO is a question to which investment bankers would like to know the answer. Last Friday, the company signed Morgan Stanley & Co. as global coordinator for the IPO, with BZW Securities and Banca Commerciale Italiana SpA as co-lead managers, bankers said.

DIOR HAS kept its image in recent years by hiring first Gianfranco Ferré to shoulder its image, and most recently by bringing in John Galiano, a British designer with a reputation for flash and flair. Chanel's top stylist is the German designer Karl Lagerfeld.

A more recent example is the house of Franco



Santo Versace, holding the urn containing his brother's ashes, is committed to upholding Gianni's business spirit. (AP)

Moschino, the Italian designer who died last year. Rather than close the firm, his scissors were passed

to a rising star in the field, Alberta Ferretti, and sales have continued to rise.

One of the keys to Versace's success will be whether his successors can change that name from one associated with the designer to one recognized as a brand. Gucci succeeded in this, rising from the ashes of a family quarrel and the murder of its heir apparent to become one of the hottest properties in fashion — and on Wall Street, where its shares have more than doubled since they went on sale in 1995.

In 1995, Maurizio Gucci was gunned down outside his office in Milan. His killing, which his wife later was accused of paying for, came as the maker of luxury leather goods and clothing was rebounding from years of losses. Maurizio Gucci, grandson of founder Guccio Gucci, was still working at the company, though he had sold his half of it to Investcorp in 1993. Bahrain-based Investcorp earlier bought the other half from other descendants of the founder after a family squabble over the company's future. Gucci's new management quickly hired a young Texan designer, Tom Ford, to revamp its leather line and revive its ready-to-wear clothing.

"Versace has to be thinking if there are any other Tom Fords out there somewhere," said Casoni at Flemings.

Transforming Versace from man to brand won't be easy, bankers said, because the appeal of his clothing to clients — which included celebrities such as Elton John and Michael Jackson — has been the 50-year-old designer's personal flamboyance.

"In fashion, the founder or creator of a line of products is its main attraction," said Shelly Hale Young, an equity analyst at Hambrecht & Quist, in San Francisco.

Old Masters top the estimates

By MEIR RONNEN

A sale of Old Master paintings at Sotheby's London earlier this month fetched a staggering £19.24 million. World auction records for two artists were set when *The Music Lesson* by Gerard van Borch, which had a top estimate of £800,000, went for £2,751,500; and a recently discovered Frans Hals, with a top estimate of £400,000, was bought by an anonymous bidder for £1,926,500.

The young lady playing the lute under the eye of her teacher was a typical Borch and one of a type that influenced his contemporaries De Hooch and Vermeer. It came from the collection of connoisseur Enrico Fattorini and also went to an anonymous bidder.

The Frans Hals of St. John the Evangelist has been "lost" for the last 180 years. It was once part of a set of four Evangelists that Catherine the Great acquired in 1773 from Baron van Borck, minister to the king of Prussia. The set remained in the Imperial Hermitage in St. Petersburg until 1812, when it was sent by the tsar to decorate churches in Crimea. It was not until 1959 that Luke and Matthew were found in the cellars of the Odessa Museum. St. Mark appeared at an Italian auction in 1955, heavily overpriced; subsequent cleaning revealed

it to be the third Hals. Now the last of the quartet has surfaced, but Sotheby's offers no explanation of its reappearance, as it was listed as the "property of a lady." This quartet was among the very few religious paintings by the 17th-century Dutch master.

At the same sale, a London dealer paid £1.7m. for a pair of oils by Canaletto, views of the Piazza San Marco and the Grand Canal — more than double their best estimate.

An anonymous *Crucifixion* of the late 14th-century English School went for three times its estimate at more than £1.5m. It'll be the buyer is banking on an attribution. But in any case, this panel is held to be one of the few great medieval paintings to survive the ravages of the Reformation and the best preserved English Gothic panel. It has also been mooted as being of Bohemian or German origin.

A rare, late and freely brushed Titian portrait of a Venetian admiral (who bore a remarkable resemblance to Didi Ben-Shaul), had a modest top estimate of £150,000, but did nearly ten times as well: In the event, it soared to £1.2m., paid by New York father and son dealers Martin and Henry Zimet.

This sale of Old Masters sold 194 of 275 lots; it did well because of a considerable array of first-class canvases by famous names, among them Salomon van Ruysdael, Jan van der Heyden, Job Berckheyde, Philips Koninck, Jan van Kessel the Elder, Michael Sweerts, Aert van der Neer, Jan Josefz van Goyen, Tiepolo, Gaudi and others.

Twelve lots from the collections of the Earls of Warwick fetched a total of £566,010. The highlight of this group was a lush John the Baptist by Giambattista Tiepolo, which doubled its estimate to reach £287,500.

SOTHEBY'S SPRING sale in New York of Latin American art did well to bring \$79.5m. The highlight was a monumental Rufino Tamayo oil of watermelons, one of the late Mexican artist's favorite subjects, treated in near-abstract fashion. Purchased from Knoedler's New York in 1952, its reappearance provoked spirited bidding, ending in applause at \$2.36m. Tamayo visited Jerusalem back in the '60s and turned out to be as congenial as

his canvases.

A cubist landscape of Toledo by Diego Rivera from 1917 sold for \$635,000. A curiosity that went for four times its estimate, to finish at \$244,500, was a painting of George Gershwin as the *American in Paris*, by famed Mexican illustrator Miguel Covarrubias. Consigned from the CBS collection, it was originally commissioned by Steinway and Sons in 1929, to be used in their advertisements. An effective work, but the depiction of Gershwin bears little resemblance to the composer.

Other works that did well were by Torres-Garcia, Claudio Bravo, Fernando Botero (including several delightful drawings) and Jose Clemente Orozco. One of the latter's came from the collection of the late Isamu Noguchi. Of the 76 lots at the main session, 62 were sold, a number done by contemporary artists.

THE BIG auction houses have recently taken to negotiating more and more "private treaty" sales. One of the most important

was the recent sale, negotiated by Christie's, of a superb portrait by Jacques-Louis David in a family collection that will now take its place in the Louvre.

The full-length, full-size portrait, almost two-meters high, was of Juliette Blait de Villeneuve, nee Clary, and was painted by David in Brussels in 1824, after the Clary clan, with its close marital and other connections to the Bonaparte family, had fled France.

The picture was the property of Juliette's descendants. When France's minister of culture declined to issue an export license for the painting, Christie's swiftly negotiated its sale to the nation. The purchase was made possible by a number of anonymous donations, one in memory of Miss Cecile de Rothschild, as well as a grant from the Friends of the Louvre Foundation.

THE NEW head of Christie's Antiquities Department in New York, who six years ago participated in excavations at Caesarea, is an expert in ancient jewelry. He is G. Max Bernheimer, the one-time head of an antiques establishment in Cambridge, Massachusetts that was started by his great-grand-father in Europe



A long-lost oil by Frans Hals of St. John the Evangelist, once acquired by Catherine the Great, sold this month by Sotheby's London for £1,926,500 (\$3,228,050), setting an auction record for this 17th-century Dutch painter.

back in 1864. Bernheimer, a Harvard graduate who earned an MA for a thesis on his catalog of Greek engraved gems in the collections of the Harvard Museums, will service clients with an interest in Greek, Roman, Etruscan, Egyptian and Near Eastern artifacts.

MUTUAL FUNDS

Fund's name	unit cost	redemption price	monthly yield (%)	yearly yield (%)	NIS assets (millions)
FLEXIBLE					
Abn	218.69	218.58	+2.38	+24.57	18.5
Abn Real	218.71	218.57	+3.15	+27.59	30.3
Abn Real	225.79	218.25	+2.26	+32.29	34.3
Abn Real	902.15	783.99	+4.01	+43.03	77.9
Abn Real	99.90	98.02	+1.83	+12.33	8.3
Abn Real	2008.80	1970.13	+3.36	+32.11	82.3
Abn Real	198.69	197.61	+0.58	+6.16	0.2
Abn Real	189.28	187.74	+1.77	+11.88	9.4
Abn Real	257.57	253.77	+3.36	+25.84	7.4
Abn Real	221.32	216.92	+3.61	+28.29	21.8
Abn Real	272.18	270.23	+3.31	+25.24	24.0
Abn Real	177.78	177.12	+5.36	+42.08	10.2
Abn Real	3333.57	3310.44	+3.00	+23.78	81.5
Abn Real	189.13	182.11	+5.72	+35.27	11.2
Abn Real	103.25	103.25	+3.36	+33.30	7.8
Abn Real	130.21	127.57	+4.99	+38.03	11.9
Abn Real	3227.14	3184.67	+3.28	+33.30	32.0
Abn Real	4108.36	4084.19	+3.44	+31.41	36.4
Abn Real	105.82	105.80	+2.98	+23.78	7.3
Abn Real	183.25	182.28	+2.22	+16.62	48.7
Abn Real	123.62	123.58	+0.76	+10.62	48.7
Abn Real	3321.45	3304.26	+3.28	+29.67	35.6
Abn Real	101.24	101.24	+4.31	+30.82	34.3
Abn Real	148.68	148.04	+8.20	+32.13	6.2
Abn Real	117.87	117.81	+4.00	+30.47	6.7
Abn Real	793.74	789.10	+3.71	+36.23	6.7
Abn Real	783.23	783.10	+4.30	+36.40	79.7
Abn Real	1738.65	1736.26	+5.12	+43.98	16.8
Abn Real	129.55	129.55	+3.20	+40.17	6.2
Abn Real	2158.99	2134.95	+4.81	+36.24	3.6
Abn Real	112.15	111.58	+0.76	+6.82	25.8
Abn Real	2748.13	2729.23	+3.97	+31.85	14.3
Abn Real	924.03	924.41	+3.91	+30.82	1.3
Abn Real	892.89	891.88	+3.19	+23.26	50.3
Abn Real	209.92	207.89	+5.25	+44.74	7.3
Abn Real	191.65	191.65	+3.20	+24.10	4.3
Abn Real	492.70	489.30	+3.40	+21.10	4.3
Abn Real	223.28	221.39	+1.81	+13.02	360.5
Abn Real	929.03	924.41	+3.28	+23.26	81.3
Abn Real	359.49	356.61	+6.85	+42.75	81.3
Abn Real	612.87	603.26	+3.28	+23.26	81.3
Abn Real	104.94	104.94	+2.80	+46.00	9.9
Abn Real	202.50	199.02	+3.49	+31.05	226.9
Abn Real	225.96	223.27	+3.82	+31.20	2.4
Abn Real	99.85	99.85	+3.39	+49.29	6.0
Abn Real	107.48	106.39	+4.32	+35.22	52.5
Abn Real	194.83	194.83	+3.29	+31.29	60.5
Abn Real	276.58	274.44	+3.39	+23.88	4.3
Abn Real	194.83	194.83	+3.29	+31.29	1.9
Abn Real	107.82	106.72	+2.89	+23.81	56.9
Abn Real	351.63	348.78	+3.12	+24.40	2.8
Abn Real	194.83	194.83	+3.04	+24.40	14.3
Abn Real	1530.21	1521.81	+4.80	+26.58	2.8
SHARES					
Abn	131.88	131.54	+3.36	+40.88	88.2
Abn	300.64	296.27	+3.11	+32.88	31.7
Abn	164.27	163.61	+3.01	+30.00	3.3
Abn	250.62	250.62	+4.89	+34.52	14.7
Abn	347.01	340.84	+2.98	+28.00	5.6
Abn	157.87	157.87	+3.11	+37.02	70.0
Abn	121.65	121.65	+3.13	+48.81	181.2
Abn	375.47	375.47	+3.08	+43.68	56.1
Abn	220.47	218.51	+3.74	+37.28	11.2
Abn	497.73	497.73	+2.61	+37.88	4.5
Abn	118.57	118.57	+2.96	+30.00	15.7
Abn	105.00	105.00	+3.29	+34.33	14.3
Abn	523.20	518.12	+2.73	+30.33	86.2
Abn	137.24	136.20	+3.89	+36.36	32.8
Abn	74.45	73.99	+3.60	+34.33	2.2
Abn	410.94	409.92	+3.60	+37.59	58.4
Abn	11.0	11.0	+3.24	+38.82	115.5
Abn	1578.18	1558.88	+6.84	+48.79	19.8
Abn	142.81	142.81	+2.25	+22.50	22.5
Abn	126.18	126.18	+6.14	+47.25	3.0
Abn	1881.10	1881.10	+3.57	+38.61	44.0
Abn	88.81	88.81	+6.76	+58.44	14.3
Abn	217.02	216.36	+3.12	+35.72	40.5
STATE BONDS					
Abn	425.88	424.84	+1.89	+10.41	3.1
Abn	322.54	318.80	+3.05	+13.53	183.6
Abn	399.92	399.92	+2.13	+14.77	41.5
Abn	200.25	200.25	+2.04	+11.31	3.9
Abn	5078.98	5078.98	+2.07	+11.82	38.5
Abn	1836.69	1836.69	+1.81	+8.65	44.3
Abn	237.55	236.98	+1.58	+8.55	16.9
FOREIGN CURRENCY					
Abn	120.27	120.27	+0.80	+8.71	67.3
Abn	483.50	483.50	+0.77	+8.89	28.1
Abn	576.40	573.26	+1.73	+10.16	108.8
Abn	1108.04	1108.04	+3.08	+18.14	184.1
Abn	279.50	279.50	+0.84	+11.27	47.9
Abn	1341.59	1341.59	+2.79	+18.89	32.1
Abn	279.50	279.50	+2.79	+18.89	32.1
Abn	228.90	228.90	+2.55	+15.91	29.8
Abn	281.94	275.16	+2.75	+17.28	6.0
Abn	207.19	207.19	+0.75	+9.28	48.0
Abn	100.75	100.75	+0.84	+10.25	206.3
Abn	103.80	103.80	+0.53	+6.05	27.6
Abn	577.58	577.58	+3.15	+21.81	216.0
Abn	157.32	157.32	+1.17	+9.66	116.8
Abn	137.72	135.32	+3.57	+19.89	4.8
Abn	132.02	132.02	+0.78	+7.79	84.0
Abn	336.58	336.58	+0.57	+15.97	11.2
Abn	161.84	161.84	+2.42	+17.87	20.5
Abn	229.97	229.97	+2.35	+12.91	5.4
Abn	155.19	155.19	+2.85	+24.55	4.5
Abn	2002.49	2002.49	+3.89	+15.98	7.2
Abn	103.31	103.07	+1.14	—	4.7
MIXED					
Abn	330.56	330.56	+2.88	+17.73	94.6
Abn	224.39	222.03	+2.75	+21.18	75.9
Abn	710.18	710.18	+2.81	+21.56	182.4
Abn	330.56	330.56	+3.26	+27.16	71.9
Abn	1544.98	1544.98	+3.84	+33.81	43.9
Abn	6704.46				

ISRAELI SHARES IN NEW YORK

Table with columns: Company Name, Last Price, Change. Includes AMEX and NASDAQ sections.

Table with columns: Company Name, Last Price, Change. Includes various Israeli tech and industrial companies.

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Table with columns: Company Name, Last Price, Change. Includes various Israeli tech and industrial companies.

INTERNATIONAL SHARES

Table with columns: Company Name, Last Price, Change. Includes various international stocks.

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NEW YORK

Table with columns: Company Name, Last Price, Change. Includes various New York stocks.

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BEZEG

Continued from Page 1. The union said the labor court judge ordered them back to work...

BRIDGE

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BEZEG

Continued from Page 1. The union said the labor court judge ordered them back to work...

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Mishtanim No trading

Due to the Bezeg strike, there was limited trading in Maof index stocks and no trading of Mishtanim stocks.

Maof 300.10 0.73%

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WORLD MARKET ROUNDUP

German stocks jump on bid talk

LONDON (Reuters) - German stocks soared to a record close yesterday due to merger speculation...

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Key Representative Rates

Table with columns: Rate Name, Rate Value, Change. Includes US Dollar, Starting, and Mark rates.

NEW YORK MARKET INDEXES

Table with columns: Index Name, Last Price, Change. Includes DJ Industrials, DJ Transport, and NYSE Index.

OTHER MARKET INDEXES

Table with columns: Index Name, Last Price, Change. Includes FTSE 100, Singapore all-share index, and Hang Seng index.

DOLLAR CROSSRATES (US)

Table with columns: Currency Name, Last Price, Change. Includes Pound, Swiss Franc, and Japanese Yen.

WALL STREET REPORT

Dow sets new high on Greenspan

NEW YORK (Reuters) - The Dow Jones industrial average leaped to a new high yesterday after Federal Reserve Chairman Alan Greenspan did not deliver the "irrational exuberance" speech...

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US COMMODITIES

Table with columns: Commodity Name, Last Price, Change. Includes Wheat, Soybeans, and Corn.

WORLD MARKET ROUNDUP

MORDECHAI

Continued from Page 1. After cabinet approval, the Knesset Finance Committee considers the cut.

SPOT MARKET METALS (US)

Table with columns: Metal Name, Last Price, Change. Includes Gold, Silver, and Platinum.

WORLD MARKET ROUNDUP

WHERE TO GO

Notices in this feature are charged at NIS 28.00 per line, including VAT. Insertion every day of the month costs NIS 220.00 per line, including VAT, per month.

NEW YORK METAL FUTURES

Table with columns: Metal Name, Last Price, Change. Includes Gold, Silver, and Platinum.

WORLD MARKET ROUNDUP

GENERAL ASSISTANCE

TEL AVIV MUSEUM. Andrea Serrano: The Morgia. Soviet Photography from the Museum collection. Lucian Freud: selection of works. Tel Aviv Museum of Art, Tel Aviv 6101555-8.

DATA COMMUNICATIONS VIA

Foreign financial data courtesy of Comstock Trading Ltd. Futures, Options, Stocks, Bonds and Mutual Funds.

WORLD MARKET ROUNDUP

TEL AVIV SHARES DATA

Supplied by Pacific Mediterranean Investments, Tel. 09-958-5873. All other data supplied by Comstock Trading Ltd., Tel. 02-624-4963.

WORLD MARKET ROUNDUP

Pacific Mediterranean Capital Markets Group

Stock broking, Equity & macro research, Money management, Corporate finance.

WORLD MARKET ROUNDUP

EMERGENCY PHARMACIES

Jerusalem: Kupat Holim Clalit, Straus, A, 3 Avigdor, 670-9900; Basmam, Saiah B-Din, 627-2315; Shustat, Shustat Road, 581-0108; Dar Al-Awda, Herod's Gate, 628-2058.

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Large vertical advertisement on the right side of the page, partially cut off, featuring the word 'Maki' and 'Dwellings'.

Wednesday, July 23, 1997

Maof 300.10 0.73

stocks and talk

Shares in Commerzbank... the fourth largest bank in Germany... slipped 6.9 marks to 11.45.

high on Greenspan

Greenspan's speech... the Fed's stance... the economy's growth.

WHERE TO GO

Jerusalem - Wednesday: 12 noon the day before publication; for Friday 4 p.m. on Thursday.

Jerusalem - weekdays: 12 noon the day before publication; for Friday and Sunday: 4 p.m. Thursday in Tel Aviv and 12 noon Thursday in Haifa.

For telephone enquiries please call 02-5811564.

DEADLINES OFFICE: Jerusalem - weekdays: 12 noon the day before publication; for Friday 4 p.m. on Thursday.

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BEAUTIFUL 2.3 ROOM and studio apartments. Ben Gurion Blvd. and Herta Mah. Tourists short/long term. Tel. 03-696-9092.

BEAUTIFULLY REDECORATED APARTMENTS near sea - short/long term. AUSSIE REALITIES. Tel. 03-546-8738.

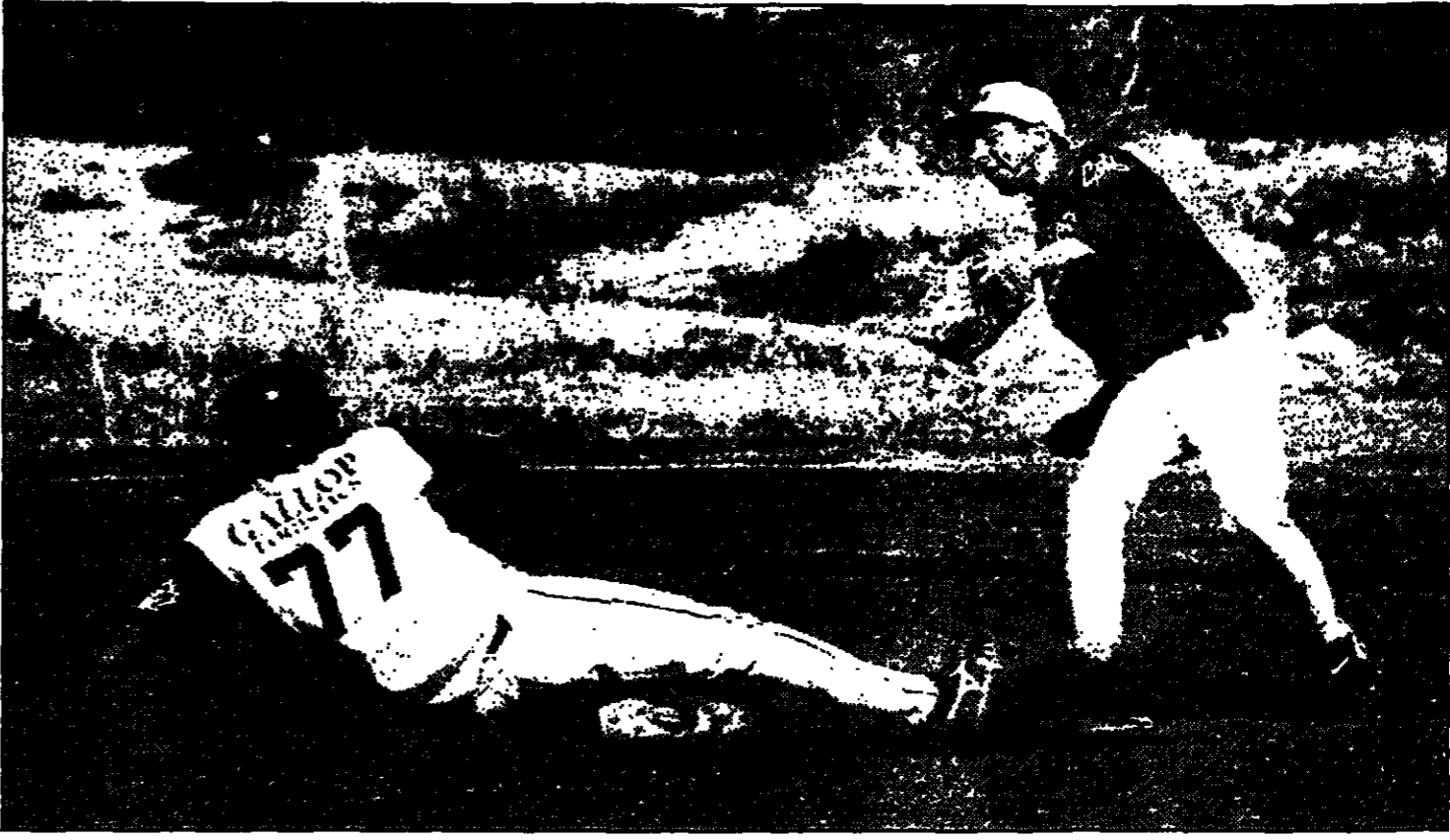
Canada retains Maccabiah softball crown

By RICHARD DUFFY and ELI PINCHOVSKI

Canada repeated as Maccabiah softball champions yesterday by beating Mexico in both ends of a doubleheader to sweep the best-of-three playoff finals at Kibbutz Gezer.

Canada, who scored in the first inning with a hit batsman and a dropped popup by the Mexico shortstop, added to their tally in the fourth with Bendahan's first two-bagger, a walk, a fielder's choice and a two-run double by Ricky Green.

The USA opened strong, hitting Israel pitcher Ari Kanterewicz hard for three innings, scoring eight runs. The big sticks were Kenny Schwartz (3-for-4 with 2 RBIs) Steve Schucker (3-for-4 with a double) and Dave Friedman (3-for-4 with 3 RBIs).



SAFE AT SECOND - Canada's Bobby Green (77) slides safely into second base with a double ahead of the throw to Mexico shortstop Louis Achar in yesterday's first-game action. (Brian Hendler)

Making a big splash

CUNY Professor Jane Katz combines love of swimming with academic expertise

By HEATHER CHAIT

You can call Jane Katz anything except "wet." This New Yorker, who holds the record for being involved in Maccabiah for 40 years since 1957, has an irrefragable attitude to life, and to her particular love, swimming.

Criminal Justice where she teaches fitness and swimming. Among her books are *Aquatic Handbook for Lifetime Fitness*, *Swimming for Total Fitness* and *The New W.E.T. Workout*.



Jane Katz

Part of Katz's passion with swimming stems from harrowing memories where the sport helped restore her to full health. "In 1979 I was in a car accident and I used water as therapy. I kicked miles around the pool circumference."

The 15th Maccabiah was "bittersweet" for her. Not only is she a close friend of Margot Mann, an Australian swimmer injured in the bridge accident who pulled through and competed, but she also has known her own personal heartache.

This visit, Katz is here for the Maccabiah Masters swimming event, where she won six gold medals, three silvers and a bronze, proof that her swimming has kept her in shape and buoyant.

Her fervor has touched many lives and spanned a variety of projects. Her academic training began with a BA in Physical Education and continued to a Masters in Education Administration and Organization, a Masters in Therapeutic Recreation for Aging and her Doctorate in Gerontology from Columbia University.

Now absorbing her lessons are New York City's police and firefighters at John Jay College of

Court change for Morocco-Israel Davis Cup tie

By HEATHER CHAIT

The Davis Cup tie between Israel and Morocco from September 19-21 will be played at Ramat Hasharon after all, but on Court No. 14, instead of the Canada Stadium.

Director General of the Israel Tennis Association Yair Engel, outlined the plans yesterday. "We will lay down a new cover on Court 14 which will be very fast," Engel also explained that new stands would be built to accommodate 2000 people.

Lebovitz upsets ATP-ranked Denk in semis

By DANIEL J. CHALFEN

Twenty-one year old Scott Lebovitz from the USA, competing in his first international tennis tournament, knocked out No. 1 seed and ATP-rated Israeli Tomer Denk in a gripping three-set match yesterday at Ramat Hasharon 6-0, 2-6, 7-6.

Lebovitz said after the match, "It was a tough match but I was very confident after the first set victory." Although Denk stepped up a gear in the second set, the third set proved his downfall and Lebovitz eventually won the tiebreak 7-4 after being down 4-2.

Canadians to meet Britain in hoops final

By ELI GRONER

Alex Bougieff scored seven consecutive points at the end of regulation and the beginning of overtime to lead the Canadian hoopsters to the gold-medal game, beating Israel 63-60 last night at Malha.

Somebody had to pick it up towards the end. I told my teammates to just get me the ball and that everything would be all right," said the Rice University sophomore.

CLASSIFIEDS

CLASSIFIEDS: RATES, NEAR JERUSALEM THEATER, MIDGALE GRUNNER, SALES, DWELLINGS, RENTALS, APARTMENT FOR RENT, KIRYAT WOLFSDON, 4/5 Knesset view, 10th floor, parking, Tel. 02-581-7854, Fax 02-588-8118, E-mail: debabs@post.co.il

SITUATIONS VACANT: HOUSEHOLD HELP, SOUTH-AFRICAN AU PAIR AGENCY, HOUSEKEEPER, FILIPINA, LIVE-IN, GOOD CONDITIONS, Tel. 09-956-3714 (Friday), PURCHASE/SALES: Jerusalem, HOUSEHOLD GOODS, GARAGE SALE - APPLIANCES, Maytag dryer, kitchenware, starting Tues., 227, 3 Yemin Moshe St. Tel. 02-625-3797, VEHICLES: General, GENERAL, OFFICE STAFF, FOR LAWYER, TYPIST, WORD 6, flexible hours, suitable for students + full time. Tel. 03-527-1919, ENGLISH SECRETARY, WORD processor skills. Sun. - Thurs. Tel. 03-685-8580, ARIE PALOGH: QUALITY NEW & USED CARS TAX FREE & UNRESTRICTED, BUYING - SELLING - TRADING - LEASING Celebrating 26 Years - Countrywide Service Passport - Passport - Car Specialty Tel. 050-240-977, Tel/Fax 02-653-3735, Jerusalem-based research institute seeks SENIOR EDITOR for Research and Books Division

Mengin wins Tour's 16th stage: FRIBOURG, Switzerland (AP) - Christophe Mengin of France won the 16th stage of the tour de France yesterday from Morzine to Fribourg, Switzerland with the last major climb of the Tour, the Frenchman won the stage with a final sprint over Franck Vandenbrucke of Belgium and Richard Virenque of France. Jan Ullrich of Germany remains the yellow jersey as the overall tour leader, 6:22 ahead of Virenque by finishing in 11th in the same time as the top group. Marco Pantani stayed third, 10:13 back. Bjorne Riis, last year's winner, continues to drop in the standings. He is now seventh after coming in more than 6 minutes behind in the stage. The Tour returns to France with the 17th stage from Fribourg, Switzerland to Colmar, 219 kilometers (136.1 miles).

Mar-Haim arrested for tax evasion

By DAVID HARRIS and news agencies

The chairman of Navigation Company Ltd. and the Postal Authority, Amos Mar-Haim, was arrested yesterday and later released on NIS 200,000 bail under suspicion of evading taxes on income valued at some NIS 2 million.



Amos Mar-Haim released on bail (Israel Sun)

am sure this argument will be resolved soon." Jerusalem Magistrate's Court President Amnon Cohen issued an order preventing Mar-Haim from leaving the country.

He instructed Mar-Haim to deposit his passport with the investigations unit of the tax authority. Thirty percent tax was paid on the fees earned for certain jobs, but Mar-Haim is in a 50% tax bracket. In this way, the Income Tax Commission claims, Mar-Haim was able to save some NIS 500,000, according to *Globes* financial daily.

In court Mar-Haim described himself as "not only a businessman, but also a public figure. The fact that every media organization has been waiting outside the door of this court and was deliberately invited here... shows what I see as an intention to cause irreversible damage to my public work."

Mar-Haim is also the deputy chairman of Israel Corporation's board. In the past, he served as deputy mayor of Jerusalem and director-general of the Ministry of Industry and Trade.



Ties that bind

Terry A. Fox (right), leader of a delegation from the Fresno, California Jewish community which has been contributing funds to help new immigrants in Afula, and Afula Mayor Effi Lev (second from right) sign a twinning agreement yesterday that the Rotary Club initiated.

Labor MKs against mayors serving in Knesset

By LIAT COLLINS

Labor MKs yesterday rejected the possibility of changing the law so that mayors could serve in the Knesset without giving up their municipal functions.

The discussion was raised following suggestions that the law banning moonlighting for MKs be changed. The Knesset

is expected today to discuss the proposal by Omer Mayor and Tsomet MK Pini Badash which would override the recommendations of the Rosen-Tzvi Commission which demands MKs give up outside work in return for a 33 percent pay rise. New MKs had to give up mayoral positions in this Knesset and veteran MKs who

are also council heads must choose before the municipal elections which position they want to hold.

However, the Labor MKs did not rule out the possible support of a bill by MK Yossi Katz which would allow the Histadrut head and head of the Leumit Workers' Union to serve as MKs without giving up their posts.

The Labor MKs also discussed the proposal of establishing a shadow government. Both Labor whip Ra'anan Cohen and party leader Ehud Barak avoided using that term, preferring to talk of monitoring tears. Labor leader Ehud Barak said the work teams monitoring specific offices are useful but MKs can speak out on other issues.

WEATHER

Haifa	21-30
Tiberias	23-36
Afula	22-33
Semaria	18-29
Tel Aviv	24-29
Jerusalem	17-29
Beersheba	20-33
Dead Sea	25-39
Eilat	24-39

Forecast: Partly cloudy to clear. A drop in temperatures.

AROUND THE WORLD

	LOW	HIGH	COND.
Amsterdam	15	21	cloudy
Berlin	16	23	cloudy
Buenos Aires	10	13	clear
Chicago	23	27	rain
Cairo	18	24	clear
Frankfurt	13	18	cloudy
Geneva	17	21	clear
Hong Kong	27	31	clear
Jakarta	24	30	clear
London	16	21	rain
Los Angeles	19	26	clear
Madrid	19	26	rain
Moscow	13	18	rain
New York	18	24	rain
Paris	13	18	rain
Rome	13	18	rain
Sydney	17	23	clear
Tokyo	21	27	clear
Vienna	12	17	clear
Zurich	12	17	clear

Calendars

book department

Chanan Mazal Judaic Art Calendar 1997-98

Calligrapher Chanan Mazal produces an exceptional calendar every year. Each lovely page can be framed. This year is no exception with gold lavishly embellishing the new paintings interspersed with Jewish symbols reinterpreted in splendid designs.

Size: 24 cm x 34.5 cm (13 1/2" x 19 1/2")
JP Price NIS 60

Illuminations

With illustrations from The British Library. Sixteen months of glorious illuminated manuscripts. 13 plates of biblical scenes from the golden Haggadah (c. 1320) from the British Library. September 1997 through December 1998, with large spaces for appointments, all Jewish holidays, candle-lighting times and Jewish dates.

Size: 30.5 cm x 34 cm (12" x 13")
JP Price: NIS 52

Splendor of the Holy Land

David Roberts Skyviews of Israel Israel 1997-98 Jerusalem 1997-98

Fifteen months from October 1997 through December 1998 with large spaces for appointments. Mix and match favorite lithographs by David Roberts, stunning aerial views of Israel and a new tastefully designed photography calendar, "Skyviews of Israel". Popular favorites "Israel" and "Jerusalem" calendars return with dramatic, colorful scenic photographs.

Size: 32.6 cm x 35.5 cm (12.8" x 13.9")
JP Price: NIS 39 each

Jerusalem Temple Calendar 1995-2000

This 5-year calendar combines past, present and future with imagination, antiquities and reconstruction of vessels, in paintings, photographs and drawings. 12 months.

Size: 32.5 cm x 34.5 cm (12 3/4" x 13 1/2")
JP Price: NIS 39

Israel - The Lights from Within

Framable photographs of various sites in Jerusalem, Safed and throughout Israel, by Jody Sugar, with appointments spaces, candle-lighting times and holidays.

Size: 18.5 cm x 24 cm (7 1/4" x 9 1/2")
JP Price: NIS 39

Jewish Calendar 1998

with illustrations from the collection of the Jewish Museum in Prague. Stunning photographs of museum pieces from Prague illustrate 16 months from September 1997 through December 1998, with large write-in spaces, all national and Jewish holidays, candle-lighting times, list of Jewish holidays through 2003, including four wallet calendars.

Size: 33 cm x 25.5 cm (13" x 10")
JP Price: NIS 48

Views of Jerusalem Wild Flowers of Israel

Our "perennial" favorites - big spaces to write appointments, 16 months, one photograph per page. One for you and one for a gift.

Size: 27 cm x 21 cm (10 5/8" x 8 1/4")
JP Price NIS 32 each

Bible Stories

Nachum Gutman Claudia

Mini calendars with framable paintings and appointment spaces, weekly Torah portions, holidays in Hebrew and English. Choose old favorites from bright Eretz Israel paintings by Gutman or Oleg Tzabish's decorative Bible Stories. Illustrations in this year's newswoman calendar, whimsical illustrations by Claudia.

Size: 16 cm x 16 cm (6 3/8" x 6 3/8")
JP Price: NIS 21 each

Jewish Engagement Calendar 1998

Popular and useful spiral bound desk calendar, one week per page, illustrated with 26 magnificent full-color photographs from the collection of The Israel Museum. 15 months from October 1997 through December 1998, with large spaces for appointments. Includes all Jewish and North American holidays, world candle-lighting times, holiday chart through 2012, weekly Torah readings.

Size: 16 cm x 23 cm (6 1/4" x 9")
JP Price: NIS 48

Beautiful Israel Hebrew Manuscripts

Ben Avraham

Three display calendars with one colorful poster of a painting per page. Chagall-inspired artist Ben Avraham, full color photographs of Israeli street scenes and lively colored Hebrew manuscript pages are featured in this triple selection. Each is 20 cm x 23.5 cm (7 3/4" x 12 3/4").

JP Price: NIS 28 each

Israeli Artists Calendar

An old favorite, the Israeli artists' wall calendar has a newer, fresher look this year, with reproductions of contemporary and classic Israeli works of art.

Size: 33 cm x 24.5 cm (13" x 9 5/8")
JP Price NIS 39

Fantasy of Jewish Festivals

Display calendar, illustrated in charming naive style by Felice Seelig, well-known "primitive" painter. Eleven paintings, one per page, embellished with gold, may be framed. Includes page of explanations about the holidays in Spanish, English/Hebrew.

Size: 24.5 cm x 33.5 cm (9 3/4" x 13 1/4")
JP Price: NIS 49

Israel - The Lights from Within

Framable photographs of various sites in Jerusalem, Safed and throughout Israel, by Jody Sugar, with appointments spaces, candle-lighting times and holidays.

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Rubinstein, Knesset legal adviser differ over numbers game

By LIAT COLLINS and Nim

Question: How many MKs does it take to change a law? Answer: It depends on which law, which reading and who you ask.

A difference of opinion has sprung up between Attorney-General Elyakim Rubinstein and Knesset Legal Adviser Zvi Inbar over what majority is needed to change the Direct Elections Law as National Infrastructure Minister Ariel Sharon has proposed, so that a prime minister could be ousted by a majority vote of 61 MKs without the Knesset having to dissolve and holding new elections. Under the current law, an 80-MK majority is required.

Rubinstein has determined that 80 MKs are necessary to approve the change of the clause of the Basic Law: The Government (known as the Direct Elections Law) because the clause itself refers to 80 MKs, whereas Inbar has ruled that a 61-MK majority is sufficient, as in all Basic Laws. Inbar said the clause under discussion is not the one on removing the prime minister, which would require 80 MKs to change, but that on no-confidence motions, which needs only 61 MKs.

The argument has filled the Knesset corridors because a bill by Dalia Itzik (Labor) and Anat Maor (Meretz) could be raised today proposing the change, although that bill will only come up for preliminary reading which needs a

regular majority to pass. The dispute over the size of the majority is relevant to the first, second and third (final) readings.

Rubinstein ruled that if a 61-MK majority would be sufficient to change the law so that only the premier would need to be re-elected and not the whole Knesset, "it would affect the balance [of the system]... and cause apparent harm to the independent status granted the prime minister."

Prime Minister Binyamin Netanyahu has also spoken out against the suggested amendment saying: "If the Direct Elections Law is changed there could be new elections every month." Yesterday Netanyahu said a majority would not be found for changing the law, adding: "You can't come to the people who elected a Knesset and a prime minister and tell them, we're going to take that away. It just isn't done, especially not in the middle of a term. It won't pass legally, judicially, ethically or politically."

Labor whip Ra'anan Cohen, however, said yesterday that the opinion of the Knesset's legal adviser should be the one by which the Knesset operates in case of a contradiction of opinions.

Labor leader Ehud Barak met yesterday with Tsomet faction head MK Eliezer Zandberg on the matter. Zandberg told him Tsomet would only agree to discuss changing the law as regards the next Knesset.

National Road Safety Law passes final reading

By LIAT COLLINS

The Knesset last night unanimously passed the final reading of the National Road Safety Law, establishing an umbrella organization to deal with all aspects of road safety under the jurisdiction of the transport minister.

The bill is the initiative of the Knesset Economics Committee and the Transport Ministry and is based on the law promoted by Justice Minister Tzahi Hanegbi in the last Knesset with former Labor MK Avraham Burg and Meretz MK Ran Cohen. The bill was signed by 91 MKs in the last Knesset, and when implemented will abolish the ministry's current Road Safety Authority.

The new body is aimed at ensuring maximum liaison between all the ministries and bodies involved in road safety and providing the government with the means to improve the situation on the roads. Transport Minister Yitzhak Levy will appoint the authority director in consultation with Internal Security Minister Avigdor Kahalani and with government approval.

Levy said he intended to expedite the establishment of the new authority to "formulate a long-term, comprehensive master plan within the coming months. The establishment of the National Road Safety Authority is a breakthrough in the struggle against traffic accidents in Israel and presents a united

front from all government ministries for an all-out war to reduce the death toll on the roads.

Yesterday morning, MK Elie Goldschmidt (Labor), chairman of the Knesset Economics Committee, yesterday criticized his predecessor, Justice Minister Tzahi Hanegbi, in view of the reports emphasizing that Hanegbi was paid a salary by a non-profit organization on road safety, while drawing up legislation on the topic in the committee he chaired. Goldschmidt said it is possible that gasoline companies donated money to Hanegbi's organization while he was dealing with legislation affecting gas prices.

Goldschmidt sent a letter to Police Chief Assaf Hefetz asking him to investigate whether Hanegbi had committed a criminal act.

Hanegbi said in response that Goldschmidt was acting in bad faith by first making accusations and then saying he would apologize if they proved false. "The facts are exactly the opposite: I promoted the competition among the gasoline companies as chairman of the committee against their wishes. There is a huge difference between this and what Goldschmidt is saying. He is simply spreading lies," Hanegbi complained to the head of the Ethics Committee: Yehuda Lankri (Gesher) saying Goldschmidt was making baseless charges without checking the facts.



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